NOVEMBER 26, 1973

Commerce Today

Iranian Showplace For U.S. Goods

Page 26

FROM THE SECRETARY

Partners In Energy Conservation

This column was written by Under Secretary of Commerce John K. Tabor.

The joint efforts of two Commerce Department agencies — Maritime Administration (MARAD) and the National Oceanic and Atmospheric Administration (NOAA)—are strengthening the nation's ability to meet the energy crisis.

Their joint technological and environmental studies are preparing the way for shipping North Slope oil from southern Alaska, once the Trans-Alaska pipeline is built.

The Maritime Administration is also helping to build the vessels required to move some two million barrels of oil daily from the southern terminus of the Alaska Pipeline at Valdez to the "Lower 48." These ships for Alaskan oil are among the 53 tankers which are a key part of President Nixon's three-year-old program to rebuild the American merchant marine. Included in the new MARAD-assisted fleet are both petroleum and liquefied natural gas ships that carry cargoes at minus 260 degrees Fahrenheit, using cryogenic techniques developed by our space program.

NOAA will contribute significantly to the delivery of Alaskan oil by providing a new 24-hour special weather and sea report generated by special radar installations, covering the sea route from Valdez to Puget Sound. The weather and sea information will minimize the risks of the voyage and provide the basis for choosing the safest, fastest route.

The two agencies also have pooled their resources to provide important technological support for the future construction of deep water port facilities for the discharge of imported fuels. Large-scale off-shore terminals are required to handle the supertankers carrying the vast increases in petroleum to our expanding industrial machine. The agencies are furnishing the vital technological, environmental and economic data which will make possible construction of deepwater ports in the United States. Foreign countries have in operation, under construction, or planned some 50 such ports, capable of handling tankers of 200,000 deadweight tons or larger. Although our country is the world's leading industrial nation, we have no comparable deepwater facilities.

Some of the most vital information required for coping with the energy crisis is provided by NOAA's National Weather Service. The mandatory fuel allocation program, administered by the Department of the Interior, is based on "degree day" data provided by the Weather Service. The information includes comparisons of the weekly and cumulative degree days with last year and with climatological normals. It is stratified by state and weighted according to population in order to enable proper allocation of the available fuel.

Using the same Commerce Department weather data, the "Today Show" on NBC is presenting a "Fuel Warn" segment near the middle of each week.

The Weather Service also is providing special forecast messages for broadcast to motorists who might cancel a planned journey because of weather, resulting in fuel savings.

John K. Tabor

Commerce Today

Vol. IV, No. 4, November 26, 1973

2 Economic Highlights: Consumers, Farmers Respond To Markets; Food Prices To Show Stability

With farmers producing more and consumers buying less, food prices are expected to become much more stable in six to nine months.

4 Huge Export Gain Outstrips Continued Import Advance, Wipes Out U.S. Trade Deficit

Dramatic reversal of deteriorating trend over recent years finds U.S. foreign trade position improved sharply in the first nine months of 1973. Exports, excluding military grant-aid, were running at a seasonally adjusted annual rate of $67.5 billion, 37 percent over 1972.

8 Currency Shifts Provide New Openings For U.S. Exporters, Buyers In Germany Confirm

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12 Efficient Appliances Could Make 'Critical Difference' In Energy Supply; Save Consumers

A voluntary appliance labeling program developed by industry and government will give consumers energy information needed to make wiser choices when buying electrical appliances in a day when energy conservation is the watchword for the nation.

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26 International Commerce Report

U.S. Trade Center in Iran has auspicious start—Report on National Foreign Trade Convention—Port equipment seminar held in Africa—U.S. trade mission visitors explore Eastern Europe markets—Current boom in Korea detailed—U.S. sales in big climb in the Netherlands—Belgian economic upswing likely to continue—Inflation, labor shortages constrain Swiss economy.

COVER: *The United States has just opened a new Trade Center in the first two floors of this very modern edifice in downtown Tehran, Iran. It is expected to be an important showplace for U.S. goods as the story on Page 26 relates. Story on dramatic improvement in overall U.S. trade balance is on Page 4.*

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ECONOMIC
HIGHLIGHTS

Consumers, Farmers Respond To Markets; Food Prices Likely To Show More Stability

Economic Highlights is prepared by Dr. Sidney L. Jones, Assistant Secretary of Commerce for Economic Affairs.

There is a possibility that a classic market situation may bring about stability in prices in the troublesome food sector over the next six to nine months. Analysis of supply and demand factors strongly suggests a diminution of the pressures that caused the prices of meat and other food to soar in the first eight months of this year.

First, consumers have responded to rising prices by making the sharpest cut in consumption in 25 years.

Second, on the supply side, farmers produced a bumper crop despite adverse weather this year, and further production increases are forecast for next year.

Third, worldwide crop production appears to be on the rise following a two-year period of successive droughts, freezes and floods.

As a result, prices of some products have already declined with the most noticeable decreases so far occurring at the wholesale level.

Dollar expenditures on food were up sharply but these figures masked changes in physical volume. In the third quarter, dollar expenditures for food, compared with the third quarter of 1972, were up 12 percent but after adjusting for inflation, food purchases actually declined 3½ percent. For the year, sharp declines in purchases of meat and eggs—which advanced strongly in price—were partly offset by increases in cheese, fruits and vegetables. Thus, consumers cut back on their real purchases and also shifted their diet to less expensive products.

The Department of Agriculture has forecast a period of relative food price stability, with the prospect that prices in the first half of 1974 will average no higher than those in the third quarter of this year.

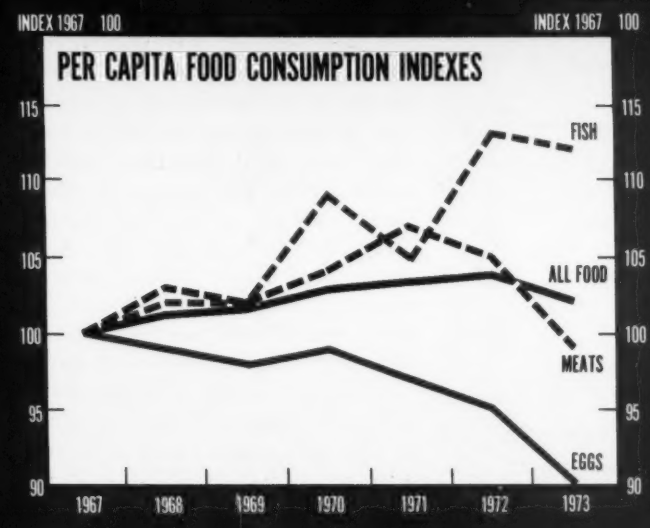
It is a happy scenario, even for the farmer. He should have more to sell next year because livestock herds will be larger and more acres will be planted. Acres under cultivation increased this year with the removal of some governmental restrictions, and a further increase is likely next year now that restrictions are virtually non-existent. In addition, average prices that farmers will receive are expected to be higher than this year without further rises since most of the sales this year occurred before prices reached an extremely high level.

The acreage planted in major crops — wheat, feed grains (including corn), and soybeans — increased by some 22 million, or about 10 percent this year. A further increase of about eight million acres is tentatively forecast for next year's crops, although improved yields are a more important factor in the prospect for another substantial increase in production.

There is little likelihood of a major buildup in stocks of grain and soybeans because worldwide demand should continue strong. The value of agricultural commodity exports is expected to soar to $19 billion in this fiscal year compared with $12.5 billion in the 1972-73 fiscal year. Most of the increase will result from a price effect. Here again, the average price will be higher than in the previous period since many sales in 1972-73 were made before prices reached high levels.

There is always the possibility that some rocks will be encountered in this fertile field of speculation. The energy crisis could hamper farmers in several ways. Lack of fuel for farm machinery at crucial times could be a serious impediment. Natural gas, in addition to being an important energy source, is a prime raw material in making nitrogen fertilizer.

There are other potential problems. Fertilizers generally are high-priced and in short



supply. Weather could change the outlook drastically, both domestically and worldwide. The anchovy industry off the western coast of South America, which became famous when it almost disappeared, is slow in recovering from over-fishing. The anchovies, formerly a prime source of protein-rich fishmeal that was used for animal feed around the world, may not become plentiful again for several years.

There are two doubts that can be raised about forecasts for next year. While farmers will have more acres planted, those additional acres may not be as productive, especially since fertilizer may not be available for some of this marginal land. There is also the possibility that consumers, whose incomes continue to rise, may shift their consumption sharply upward and create a wave of strong demand.

The demand for U.S. farm exports, already spurred by devaluation of the dollar, may rise faster than anticipated and create another upsurge in prices. Soybeans, a source of protein, probably will continue as a major animal feed in many nations where consumption of meat is rising.

Despite the number of changes that could occur, it appears that the consumer will get at least a respite from rising food prices over the next few months and that farmers will experience a further rise in incomes.

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Vol. IV, No. 4
November 26, 1973

Huge Export Gain Outstrips Continued Import Advance, Wipes Out U.S. Trade Deficit

In a dramatic reversal of the deteriorating trend since the late 1960's, the U.S. foreign trade position improved sharply in the first nine months of 1973. The merchandise trade balance moved back into a small surplus in January-September from deficits recorded in the two preceding years.

U.S. exports, excluding military grant-aid, were running at a seasonally adjusted annual rate of $67.5 billion in January-September, a 37 percent increase from the 1972 total. The rise was nearly three times as rapid as that recorded last year and the fastest since 1951. Imports rose 21 percent to $67.3 billion, roughly the same rate of growth as in 1972. The merchandise trade balance shifted to a surplus of $204 million, at a seasonally adjusted annual rate, compared to the $6.4 billion deficit recorded last year.

Intense inflationary pressures here and abroad and worldwide commodity shortages generated sharp increases in both export and import prices with the result that the expansion in trade values was greatly amplified. Nevertheless, the improvement in the U.S. trade position was evident whether measured in terms of constant or current dollars. After adjustment for price advances, exports showed an increase of 21 percent in volume terms, double the 1972 growth rate, while the rate of expansion in imports slowed to 6 percent from 14 percent last year. This deceleration took place despite the continued strong advance in the U.S. economy; it appears that the most significant restraining factor was the demand-dampening effects of higher foreign prices stemming from the currency shifts of the past two years.

Trend upward since mid-'72

The quarterly trend of U.S. foreign trade has been consistently upward since mid-1972. A marked slowdown in the growth rates of both exports and imports did, however, occur in the second quarter of this year and a further, though much less substantial, deceleration took place in the July-September period. If trade values are adjusted for price increases, the trend shows only a marginal export advance in the third quarter and declines in imports in both the second and the third quarters.

The turnaround in the U.S. trade position was, to a large extent, related to the strong expansion in foreign economic activity this year. Booming foreign industrial production, stepped-up investment expenditures abroad, and shortages of some commodities all contributed to the intensified demand for U.S. exports. Pressures on productive capacity overseas had the effect of reducing supplies available for shipment to this country as well.

The second important factor in the favorable trade balance shift was the depreciation of the dollar against key foreign currencies due to the monetary realignments in the past two years. These changes

have made U.S. products more competitive in world markets, while U.S. import demand has been dampened by the resulting higher cost of foreign goods. Finally, the export total this year was augmented by an unprecedented surge in shipments of agricultural products. The huge gain in farm sales stemmed mainly from crop shortfalls in the Soviet Union and many other countries, which necessitated large purchases of U.S. food and feed supplies.

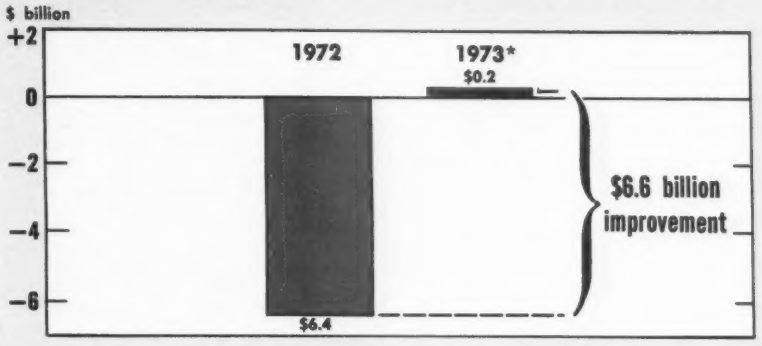
Some of this year's rapid increase in U.S. exports may also be attributable to the effects of price controls in this country which, by allowing price increases on sales abroad, made it especially profitable to export.

Boom abroad boosts exports

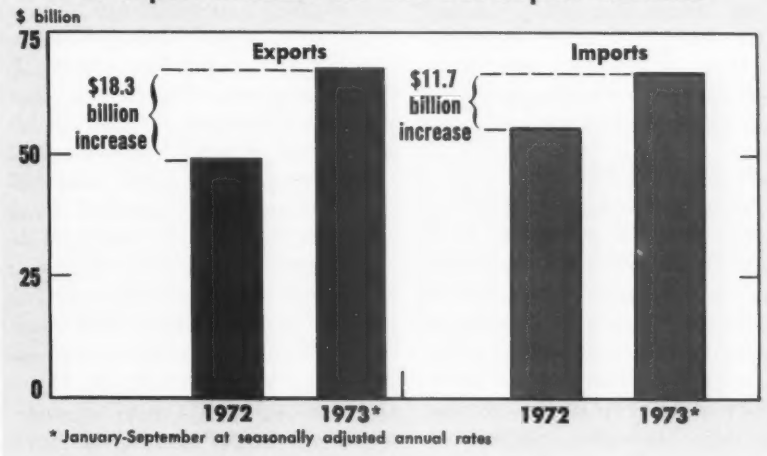
In January-September, nonagricultural exports climbed to $37.9 billion, 30 percent greater than in the comparable 1972 period. This rapid advance was stimulated primarily by the strong rate of economic activity in foreign countries and the enhanced competitive position of U.S. producers in world markets deriving from the currency realignments. On a quarterly basis, these exports have been on a strong uptrend since mid-1972. The rise in non-farm sales was widespread, extending to both finished manufactured goods, particularly machinery and transport equipment, and industrial materials.

Machinery exports advanced sharply, mainly reflecting higher investment outlays abroad. Sales of computers and parts posted a gain of one-fourth, after two years of relatively moderate growth. Shipments of electronic components, mainly to U.S.-affiliated firms abroad, soared nearly 70 percent above their January-September 1972 level. Major export increases were also registered for electric power apparatus, materials handling equipment, and agricultural machinery.

U.S. trade position improves substantially in 1973 . . .



. . . as export increase far exceeds import advance



* January-September at seasonally adjusted annual rates

Deliveries of automotive products to Canada rose one-fifth, stimulated by buoyant auto sales on both sides of the border. Shipments of cars were particularly expansive, although the outflow of trucks and parts climbed substantially as well. The one-third increase in exports of motor vehicles and parts to other countries—following little growth since the late 1960's—reflected greater shipments to most world areas, but particularly the American Republics and Western Europe. Exports of civilian aircraft, which fell last year, climbed sharply in the first nine months as sales of both jumbo jets and conventional-sized passenger transports increased.

Booming industrial production in foreign countries generated an advance in U.S. exports of industrial materials. Intense demand pressures and shortages of many commodities caused sharp price increases which boosted the value of shipments still further. Chemical exports advanced by more than $1 billion, or 36 percent, on the strength of greater deliveries of chemical intermediates, plastics, medicines, fertilizers, and nuclear materials. Strong demand in Japan spurred the increase in sales of logs and lumber. Steel exports accelerated, especially to the American Republics and Canada, in part because of limited availabilities of competing supplies. Shipments of iron and steel scrap almost tripled from January-September 1972 levels in response to booming world steel production. After climbing steeply in the first three months, these deliveries

Export Gains Extend To All Major Products

Millions of dollars, seasonally adjusted

	January-September 1973	
	Value	Change from Jan.-Sept. 1972
Nonagricultural products, total	**37,928**	**+8,804**
Machinery	12,393	+ 2,693
Chemicals	4,062	+ 1,074
Motor vehicles and parts	3,706	+ 734
Civilian aircraft	1,724	+ 456
Logs and lumber	980	+ 442
Steel scrap	478	+ 314
Iron and steel mill products *	856	+ 257
Nonferrous metals *	715	+ 237
Agricultural products, total	**12,682**	**+5,920**
Wheat *	2,590	+ 1,736
Corn	2,081	+ 1,195
Soybeans	1,875	+ 834

* Not seasonally adjusted.

dipped slightly in April-June, but rose again in the third quarter although export controls imposed in July limited the outflow.

Farm exports buoyant

Sales of agricultural products increased nearly 90 percent to $12.7 billion ($16.9 billion at an annual rate). On a quarterly basis, these exports showed a huge increase in January-March, followed by more subdued but still substantial gains in the following two quarters. The pattern was distorted by rapidly rising prices, however. In constant (1967) dollar terms, shipments peaked in the first three months, declined slightly in the second quarter, and fell again in July-September.

The advance in farm exports this year stemmed from worldwide grain shortages, heavy demand for animal feeds, and a reduction in competing supplies. Wheat exports tripled, reflecting greater shipments to the USSR and our traditional markets. Corn deliveries also climbed rapidly. Sales of soybeans advanced four-fifths in response to rising world requirements for high-protein animal feeds and a significant drop in supplies of competing feedstuffs. The outflow declined sharply in the third quarter, however, due to reduced availabilities and temporary export restrictions.

Import rise continues

Receipts of industrial supplies climbed to $18.9 billion in January-September, 28 percent above last year's comparable total. The increase reflected expanding U.S. manufacturing output, growing dependence on foreign supplies of some commodities, and substantial price increases for many items. Under the impact of the worsening fuel shortage, purchases of petroleum and products advanced about three-fifths, adding $1.9 billion to the import bill. Crude oil imports posted the largest rise but both distillate and residual fuel oil arrivals also climbed strongly. Higher prices accounted for much of the $338 million advance in lumber purchases. After peaking in the first quarter, the value of these imports slipped fractionally in the following three months, and fell substantially in July-September as residential construction activity declined and prices moderated.

Steel imports increased 7 percent in value due to higher unit values, but receipts fell in quantity because strong demand abroad limited supplies available for shipment to this country. Strong industrial demand generated steep increases in silver and platinum arrivals. Copper entries advanced one-fifth in value, primarily because of higher prices. Reduced domestic production, coupled with greater consumption, stimulated an increase in zinc imports. Supplies released from U.S. Government stockpiles dampened import demand for aluminum; these purchases fell by 23 percent.

Following an advance of one-fourth in 1972, imports of consumer goods increased 18 percent to $16.9 billion in January-September. Automotive entries from Canada remained buoyant because of strong demand here, especially for the compact and subcompact cars which constitute a major portion of Canada's production. Imports of foreign type automobiles declined slightly in quantity but rose almost one-fourth in value because of higher prices following the appreciation of foreign currencies. A shift in the import composition toward larger, more luxurious models also contributed to the increase in value. Despite the decline in import volume, sales of

Measures Of Import Penetration

Percent

	1972	1973			
Import ratios		1st qtr.	2nd qtr.	3rd qtr.	Jan.-Sept.
Total to GNP	4.8	5.2	5.3	5.3	5.3
Consumer goods to personal consumption expenditures	6.1	6.3	6.4	6.5	6.4
Capital goods to investment in producers' durable equipment	10.1	11.2	11.8	12.7	11.9
Foods to personal outlays on food	5.0	5.5	5.8	5.3	5.5

foreign cars rose this year as inventories were drawn down. Imported vehicles were thus able to increase their share of the U.S. market to 15.8 percent in January-September, up somewhat from the ratio of around 15 percent in each of the preceding three years.

The advance in nonautomotive consumer goods arrivals decelerated, in part due to the demand-dampening effects of higher foreign prices. Restrictions imposed by the Japanese government earlier in the year on shipments to this market apparently contributed to the slowdown. Purchases of consumer electronic goods advanced at a substantially slower pace than last year. Entries of television sets were largely unchanged in volume while the value rose 9 percent; transistor radios, sound recorders, and electric household appliances also slowed. Arrivals of motorcycles, primarily from Japan, dropped sharply in both quantity and value.

The inflow of capital goods climbed to $6.5 billion, an increase of one-third from the same period last year. Machinery arrivals rose strongly in response to heavy investment spending here, accounting for about four-fifths of the rise. Receipts of semiconductors and parts, largely from U.S. affiliates in the developing nations, advanced by more than 80 percent. Entries of agricultural machinery and farm tractors, predominantly from Canada, expanded in response to increased agricultural production and rising farm income. Imports of aircraft parts and engines climbed again, especially from Canada and the United Kingdom. Truck purchases also rose, from both U.S. subsidiaries in Canada and from Japan.

Entries of foods and beverages reached $6.6 billion so far this year, 23 percent above the January-September 1972 level. The more than $300 million advance in coffee imports mainly reflected higher prices which rose in anticipation of reduced world production. Arrivals of meat, particularly fresh beef and canned pork products, expanded in value, with prices again accounting for almost all of the rise. Increases were recorded in purchases of dairy products and alcoholic beverages.

Growth In Import Volume Slows

	Value		Volume*	
	Percent change from preceding year			
	1972	1973**	1972	1973**
Total	22	21	14	6
Foods and beverages	14	21	7	2
Industrial materials	20	24	13	9
Capital goods	35	32	26	13
Automotive products	18	17	7	3
Nonautomotive consumer goods	33	15	23	3

* Based on data measured in constant (1967) dollars.
** January-September at seasonally adjusted annual rates.

Trade gains in all areas

Trade with all of the developed area expanded in January-September. The deficit position with Canada worsened as a substantial export gain did not match the import increase. The trade balance with other developed areas improved, however. The advance in exports to Western Europe, largely machinery and farm products, far outstripped the rise in imports. Shipments to Japan recorded a gain of three-fourths, while imports from that country slowed.

Trade with the developing areas shifted from a deficit position in the first nine months of last year to a small surplus. Greater deliveries to the American Republics and East and South Asia accounted for a large part of the export gain. Much of the increase in purchases from the economically less advanced areas consisted of petroleum entries from the Near East, Africa, and American Republics; consumer goods paced the advance from East and South Asia.

—Bureau of Int'l Commerce

ACTION IN WESTERN EUROPE—*Shipments from the United States into Western Europe are now outstripping those in the other direction. Container facilities in Rotterdam's Europoort handle much of this traffic.*

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Currency Shifts Provide New Openings For U.S. Exporters, Buyers In Germany Confirm

Skilled interviewers knocked on 200 doors in Germany recently to ask importers and industrial purchasers essentially this question:

"Herr Direktor, considering the new relationship of the dollar to the Deutschemark, are you finding U.S.-made metalworking machine tools (or printing equipment, electronic components, biomedical equipment, process control instrumentation, or consumer goods) more attractive in your company's purchasing plans?"

The immediate response, in most cases, was a reluctance to separate out the price factor from the other elements that figure in buying decisions. But having made such a disclaimer, the typical respondent went on to establish the following conclusions:

► Currency revaluations, indeed, have given the U.S. supplier an opportunity to enter and expand his markets in Germany by making his products price competitive.

► U.S. products have always been attractive, but even with their newly added price edge, exporters still must overcome German apprehensions concerning the U.S. producers' willingness to deal with them on a long-term basis.

► Thus the current price competitiveness offers a foot-in-the-door for American businessmen which must now be followed by intensive marketing activities designed to set up long-term trading relationships with German buyers. Americans must now come to a better understanding of how Germans conduct business and what specific products they prefer.

► This means, in detail, quick response to service problems, availability of parts, sensitivity to German standards, shorter delivery times on replacement items, and awareness of changes in demand.

The full survey report, "The Effects of Currency Realignments on U.S. Exports to Germany," will be available from Western Europe Division, Room 1009, U.S. Department of Commerce, Washington, D.C. 20230 after Dec. 15.

The report will include information provided by U.S. Foreign Service Posts in Germany on: food processing and packaging machinery, communications equipment, materials handling equipment, business machines, pollution control equipment, laboratory instruments, and other consumer goods, in addition to the products covered in this article.

The survey of German buyers was commissioned by the Office of International Marketing of Commerce Department's Bureau of International Commerce, and carried out by the international management consultant firm Interplan, Ltd. It is one of a number of current efforts by Commerce Department specialists to assess overseas marketing opportunities for U.S. firms in the wake of currency realignments.

Interviewees were asked to compare prices paid in Deutschemarks (DM) for selected products in September 1973 with those paid in January 1973, a month before the last major dollar devaluation. The

selection of items ranged over high and low unit value products; bulky and compact products; products subject to strict national standards and those free from them; and products which require elaborate service support and those that can be delivered and left. These were intended to represent the spectrum of industry ranging from segments where U.S. products are already dominant in the German market, to areas where they are barely represented.

Specific findings in the six product categories analyzed in the survey are given below.

Machine Tools

	U.S.	Germany	Japan	U.K.
NC machining centers				
Jan. 1973	100	105	110	100
Sept. 1973	85-90	115	110	85
Automatic lathes				
Jan. 1973	100	90	—	90
Sept. 1973	85	95	—	80
Jig boring grinders				
Jan. 1973	100	75	60	80
Sept. 1973	82	80	75	85

Index base of 100: DM price of U.S. goods in Jan. 1973.

Metalworking machine tools. The German machine tool industry is exceptionally strong and fills a substantial portion of both domestic and world demand. However, its market position is beginning to suffer from a rapid escalation of prices. Further increases are expected as a consequence of current wage negotiations. Imports are rising, particularly of conventional metalworking tools from Italy, Switzerland, the United Kingdom and several Eastern European countries.

American machine tools, always technically attractive, are now considered highly competitive in price. The table at top of page compares DM price movements of several types of machine tools originating in the major competing countries.

All other things being equal, it would appear that U.S. suppliers of at least the sampled three items are taking advantage of currency realignments. They are passing on the price reduction to the buyer.

Over the longer term, U.S. sales success will depend, however, on whether the efforts exerted at this rather opportune time demonstrate to the buyer that a long-standing commitment to supply the German market is forthcoming. This may not be as critical for products such as NC or fully automatic machine tools, where U.S. manufacturers enjoy a good measure of technological leadership, as it is for conventional tools. American exporters of the latter must be prepared to offer marketing services that match those of the German and Japanese suppliers. Shorter deliveries, a greater familiarity with the German machine tool market, and the necessary after-sales technical support are essentials that must be applied if the U.S. suppliers intend to receive full benefits from the currency realignments. In cases where U.S. companies have succeeded in establishing a strong local presence, rapid progress has been made and can be expected to continue.

Electronic Components. Currency movements, combined with boom conditions in the electronics industries of both the United States and Germany, have created a seller's market for foreign suppliers of many types of components to Germany. Recent supply shortages have become major determinants of prices of many components, thus making it extremely difficult to guage the true effects of currency realignments in this industry.

German buyers of U.S.-made components, however, do feel that American exporters have taken a most fair approach to pricing. Overall, price reductions are more or less consistent with the rates of currency realignments in ample supply situations. Where acute shortages prevail, DM price increases would have been greater had it not been for parity changes. In the table at left, as recorded from interviews of German end users and importers, it can be seen how both currency realignments and supply problems (for resistors and transistors) have af-

Electronic Components

	U.S.	Germany
Capacitors		
Jan. 1973	100	100
Sept. 1973	75	100
Resistors		
Jan. 1973	100	100-102
Sept. 1973	107	104
Transistors		
Jan. 1973	100	100
Sept. 1973	80-100	110

Index base of 100: DM price of U.S. goods in Jan. 1973.

fected the movement of prices.

The two effects can readily be observed in sales of large scale integrated (LSI) circuits. U.S. exporters, selling LSI's as fast as they can make them, have actually dropped prices by as much as 10 percent in the German market. An American supplier quoted sales increases of up to 250 percent from the pre-devaluation levels. In the face of competition from European producers of technologically equivalent, high value components, the currency realignment has enabled U.S. manufacturers to expand sales considerably, with a view toward maintaining their newly acquired market shares when shortages are no longer as acute.

In general, respondents feel that U.S. component makers have taken a healthy marketing approach in the light of currency realignments. Strategies for insuring that the benefits that are currently favoring U.S. exporters do not fade away with the boom or after the competition "adjusts" are also in evidence. Long-sighted marketing techniques, such as taking future discount orders and dropping unit prices on initial large orders, are being used by American salesmen. They are anticipating subsequent gains and are quite confident that their solid footing in the German market, now aided by parity adjustments, will withstand challenges from European and Japanese competitors.

Printing Equipment. The German printing industry, though craft-bound with a strong preference for traditional German printing machinery, provides an excellent opportunity to American suppliers to exploit the current price advantage in high technology products. Computer typesetting, photo composition, and web offset equipment are expected to be in high demand. Prospects should also be good for auxiliary machinery such as slitters, guillotines, folders and stickers, providing U.S. suppliers take the opportunity to create sales and service organizations to break into the German market.

Phototypesetting Equipment

	U.S.	Germany	Switz.
Jan. 1973	100	85	83
Sept. 1973	95-100	90	100

Index base of 100: DM price of U.S. goods in Jan. 1973.

Phototypesetting equipment typifies current U.S. price competitiveness in advanced printing machinery market in Germany: U.S. exporters were not able to pass on full price reductions to the buyers due to the sales promotional costs that must be incurred for high technology printing equipment in this tradition-oriented market (see table above).

Nevertheless, American makers of phototypesetting equipment have been encouraged even by this small price shift in their favor. The main impediment to further market development in the advanced equipment area is the inadequacy of local service support. The director of one of the largest printing establishments in the Rhineland said: "Servicing our account from England or Switzerland, with the need then to refer back to the United States for technical help, is just not good enough—we must insist on a local presence at a high technical level."

The market for traditional printing equipment such as typesetting, letterpress and sheet offset machinery, is dominated by German suppliers. Buyers interviewed were uninformed concerning the price of U.S. products, although they thought that quality was comparable with that of German equipment. It was felt that even a 20 percent price reduction on standard U.S. equipment would not be sufficient to dislodge the well established German makes.

Opportunities for increasing U.S. exports of auxiliary printing machinery are slightly better. Most buyers interviewed feel that a 10-15 percent DM price reduction would provoke considerable interest providing that sellers establish themselves in Germany with reasonable service support.

Biomedical equipment. Prospects of increasing U.S. sales of biomedical equipment to German hospitals and medical laboratories hinge almost totally on intensified marketing efforts of American manufacturers. German buyers feel that price reductions alone will not create much of a shift in their habits

A survey of U.S. firms assessing the effect on their export business of the currency realignments indicates that most of them are now realizing sales benefits. Commerce Department's New York Office conducted the mail poll among a cross-section of companies in New York State.

To the questions about "any direct effects on your business" and "any new actions to take advantage of devaluation," 61 of the 84 responding firms discerned effects and 52 of these felt they were positive. A majority saw new competitiveness — 35 through increased sales volume and 10 through increased inquiries from prospective foreign customers. On the question of new aggressiveness in exporting, 45 firms said they were taking new actions. Five of these were among the 19 respondents who had not yet seen any direct effects from the currency shifts.

of buying, either for high technology or standard equipment.

The market for advanced biomedical equipment such as specialized x-ray machinery, central station patient monitoring systems and computer-aided analytical equipment for laboratories is largely insensitive to price changes up to 15 percent. The quality of U.S. equipment in this area is unsurpassed, and American firms should continue to dominate the German market. Price reductions will have some value in increasing the U.S. share where foreign manufacturers were beginning to make inroads, for example, in automatic chemical analysis equipment of Swedish and British origin.

In contrast, the German market for standard biomedical products is strongly in the hands of local suppliers. Much of the equipment purchased today is required for replacement and additions in existing medical facilities, and standardization favors the established supplier.

German buyers report that U.S. suppliers by and large have passed on the benefits of devaluation, with price reduction ranging from 7 to 20 percent.

German biomedical equipment users cite other problems with U.S. suppliers which they feel can be overcome in due course. They have difficulties in dealing with relatively small U.S. suppliers that do not take the trouble to cater to German needs. Equipment is often shipped which must be converted by the user to suit local voltages, and is accompanied by manuals in 'jargon-ridden' English which is difficult to translate. The buyers seem convinced that these conditions can be changed if U.S. exporters make an earnest effort to follow up on their current price advantages.

Process Control Instruments. Since process control instruments represent a small but extremely vital part of total capital expenditures in the process industries, the factor of price normally plays a minor role in their selection. In general, process industry buyers will not deal with advanced process control instrument suppliers who are not established locally and who cannot provide immediate and full service for their equipment.

Process Control Instruments

	U.S.	Germany	U.K.
Chromatographs			
Jan. 1973	100	105	90
Sept. 1973	85-90	110	90
Process computers			
Jan. 1973	100	100	—
Sept. 1973	95	100	—

Index base of 100: DM price of U.S. goods in Jan. 1973.

The market for higher priced process control instruments is dominated by German producers and U.S. suppliers who either manufacture at least part of their equipment range in Germany or have strong sales and service subsidiaries there. American exporters have generally dropped their DM prices, even where competition was slight, in view of establishing long-term relationships with the buyers. Chromatographs, both on stream and laboratory types, and process control computers, illustrate this well (see table above).

On the less sophisticated end of the process control instrument sector conditions are very competitive, and price movements do challenge established market shares.

Consumer Goods. According to respondents, the United States cannot expect to compete in non-luxury goods produced in low labor cost countries. However, success is possible with the top of the line, higher-priced products where Europeans either appreciate quality, are familiar with the trade name, or are attracted by the novelty of the item. U.S. exporters of hi-fi equipment, for example, are benefiting from the changes in the dollar/Deutschemark parity. In some cases, manufacturers have been able to lower prices to pass on devaluation benefits. In others, margins have been increased so that dealers now have the incentive to favor U.S.-origin lines.

The market for U.S. sporting goods is growing rapidly. American golf equipment manufacturers, for example, should have excellent selling seasons in the next few years with reduced prices. Estimates put the current German golfing population at around 20,000, increasing at an annual growth rate of about 10 percent. U.S. golf equipment is generally well known, owing to the dominance of the sport by American professionals. Future sales expectations are high. One golf club importer has gone a step further and is now also promoting archery equipment as he views the prospects for competitively priced U.S. exports to be excellent.

Equally well known and appreciated is U.S.-origin fishing tackle. During the last fishing season the trade had already bought its stock and did not alter prevailing prices. In the coming year the effects of devaluation should lead to an average 15 to 20 percent price fall, and an expected rise in purchases of 20 percent. Strong competition from French and Japanese exporters will not be as serious as it has been in the past, and a major increase in U.S. fishing gear exports to Germany is foreseen.

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—Bureau of Int'l Commerce

Efficient Appliances Could Make 'Critical Difference' In Energy Supply; Save Consumers Money

"If each of us reduced our home use of energy by just one percent, we would save 130 trillion BTU's per year. That's enough to supply well over half a million other households, in fact."

This convincing argument for energy efficiency labeling of household appliances is made by Dr. Betsy Ancker-Johnson, Assistant Secretary of Commerce for Science and Technology.

One of the bureaus in Science and Technology, the National Bureau of Standards, working closely with industry, has developed a voluntary appliance labeling program that will give the consumer the energy information he or she needs to make a choice that would save money on utility bills and conserve the nation's energy supply.

Labeling of appliances

And, Congress is considering legislation that would make energy efficiency labeling of household appliances mandatory.

"Energy efficiency," Dr. Ancker-Johnson explains, simply means the energy used by an appliance relative to its output of services.

Next year should be the year of the energy conscious consumer. Plans are to put the first labels on room air conditioning units next spring. Other items to be labeled as the program is developed are kitchen ranges, dishwashers, water heaters, washing machines and dryers, air conditioners and heating systems, and refrigerators and freezers.

Industry has expressed its general support of the labeling program's goal to have manufacturers provide consumers with information on the energy efficiency of appliances.

Manufacturers who participate in the Commerce Department program will display the energy consumption and efficiency rating of the appliance on a label which is either attached to the appliance or otherwise provided with the appliance.

These labels will enable a person shopping for an appliance to readily compare energy efficiencies and identify the models which will use the least energy.

For the first time, consumers will be able to see an appliance's relative efficiency as well as its size, appearance, and price as they make the purchase decision.

Consumer purchases

"As consumers purchase efficient models and inefficient models are left on the shelves," Dr. Ancker-Johnson continues, "we believe that manufacturers will meet this head on by increasing the efficiency of their products."

Commerce is designing an Energy Conservation Mark which will be an easily recognized symbol on the labels. All labels will bear the DOC logo along with information on the relative energy efficiency of appliances and other information as provided in the directions established for each product.

The official description of the Commerce program provides that these labels be: "prominent, readable, and visible."

Voluntary energy conservation specifications will be developed for each appliance class in cooperation with interested manufactur-

ers, consumers, and other parties.

Dr. Ancker-Johnson says that "some appliances will be categorized into several classes when we deem this more sensible. For instance, small room air conditioners may be in a different class than mammoth home air conditioners."

Specification worked up

This specification will define the test method to be used in measuring the model's energy efficiency, state how the model's relative energy efficiency is to be expressed, and describe the energy efficiency label to be used.

Whenever possible and appropriate, she adds, "we will adopt a test method used in an existing nationally recognized voluntary standar rather than developing a new test method."

A prototype label will be planned for each class of appliances which optimally displays the relative energy efficiency characteristics of a model, as measured by the specified test procedure. These labels will be tested by surveys of consumers and retailers to insure that they are understandable to non-technical people.

"Obviously, we cannot come up with voluntary labeling specifications for all major appliances at once," the Assistant Secretary says, noting how priorities are being set.

Specifications are being developed for room air conditioners first, partially because quantification of the energy efficiency of these appliances was well underway, under the leadership of the Association of Home Appliance Manufacturers.

"We will soon begin to develop specifications for refrigerators, freezers, refrigerator-freezer combinations, and water heaters," Dr. Ancker-Johnson states.

Each proposed specification will appear in the Federal Register and interested parties will have 30 days to express reactions. After 30 days of balancing these comments and carefully considering revisions called for in the proposed specifications, the Assistant Secretary of Commerce for Science and Technology will either issue a final specification, announce that the proposed specification is being revised, or announce that the proposed specification is simply being withdrawn.

After a voluntary labeling specification for an appliance class—perhaps small room air conditioners—becomes effective, Dr. Ancker-Johnson says manufacturers who wish to participate will notify the Commerce Department. To participate, a manufacturer must label all the models of that class of appliances he produces with the same brand name, in accordance with the specifications.

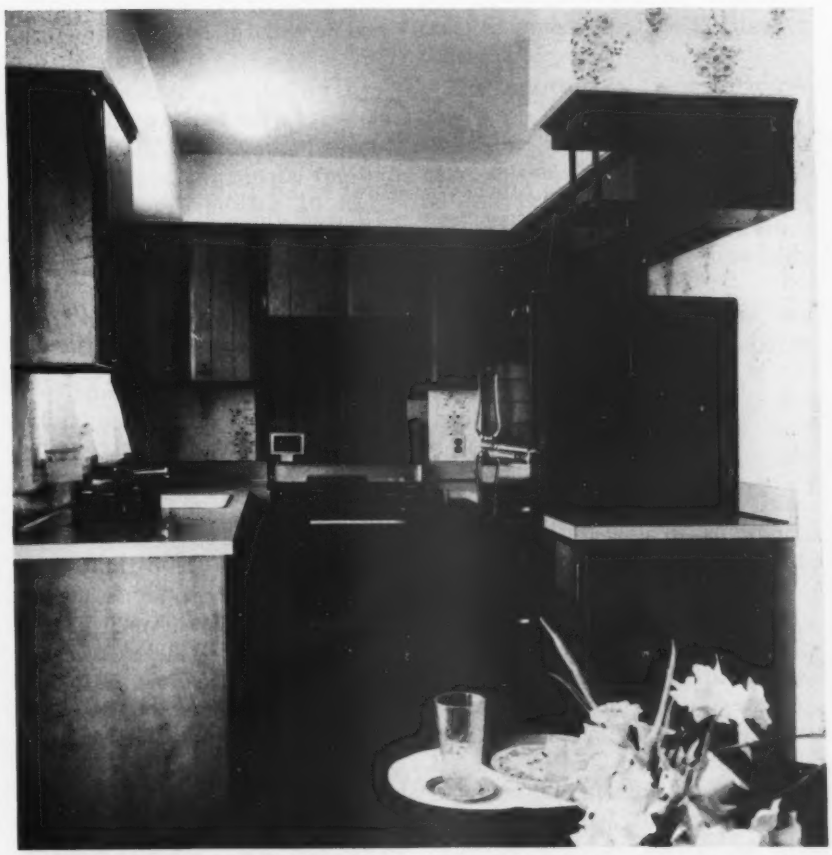
If a manufacturer intentionally puts false information on labels he will forfeit his right to use the labels.

Through an ongoing communications effort, Commerce will promote uniformity in state, local and federal programs for the labeling of household appliances to effect energy conservation. Furthermore, education campaigns are planned to inform the public and retailers of the importance of conserving energy through the use of efficient appliances.

Additionally, development of specification and labeling directions for each new class of appliances will be publicized.

"The use of efficient appliances can make a critical difference," Dr. Ancker-Johnson asserts.

"Look for the Department of Commerce Energy Conservation Mark and buy the most energy efficient products," she urges.



ENERGY SAVING ROOM—*The kitchen will be a major place for energy savings when new energy efficiency labels are attached to appliances to let the consumer know the most efficient product. This kitchen holds potential energy savings.*

DOMESTIC BUSINESS REPORT

- **Industry highlights—mine roof bolts, resin, scrap, cement**
- **Phase IV health industry rules proposed**
- **State revenue jumped 15 percent**
- **Consumption of industrial diamonds near record**
- **U.S. travel industry flourishes on overseas visitors**

U.S. Eyesore Could Ease Scrap Squeeze

Junked cars that mar America's landscape — either in massive car graveyards in rural areas or abandoned one by one on streets and deserted lanes—could be converted into a prize industrial asset.

The unsightly hulks contain ferrous scrap, an industrial commodity in such demand and such short supply it's almost a precious metal, especially to the steel industry which produces about 18 percent of its products exclusively from scrap. Forty-five percent of the total metal requirements for all steel production comes from scrap.

Secretary Dent has proposed a way to rid the nation of one of its worst eyesores and at the same time take some of the pressure off one of many industrial short supply situations. Dent's proposal focuses on only one aspect in the total solid waste management scheme and that is "preventing the abandonment of cars on streets and in rural areas throughout the U.S."

Beyond the cosmetic effects, the Commerce Secretary noted in a letter to the governors of the 50 states, "a more complete view of the abandoned vehicle problem includes solutions to the recovery of those vehicles already abandoned, and movement of these hulks through the scrap cycle until they are ultimately consumed as processed scrap metal by steel mills and foundries.

Economics of recycling

The economics of automobile recycling is an important factor, the Commerce Secretary noted. However, even under the most favorable economic conditions, when the demand for automobile scrap is high and when the prices paid for junk cars are an inducement to the owner, the lack of knowledge about how and where to dispose of such cars is a deterrent to complete recovery of the usable scrap metal.

A number of states have special programs to get junked cars from the streets into the recycling process. In Pennsylvania, the National Guard was mobilized recently in a major cleanup effort.

In Philadelphia, in one weekend 200 junked cars were collected and a short time later their ferrous scrap was churning in electric steel furnaces.

Dent requested information from the governors on what vehicle disposal programs the states had implemented, since their experience could "be extremely helpful to other states." His letter suggested methods of notifying the public about how to discard old cars. These included:

- That the state motor vehicle administration, or other appropriate agency, enclose a mailer with each registration renewal "stating the conservation and environment-

JUNKED CAR—*Abandoned cars such as this one, left by the railroad track to mar the landscape, are the target of a clean-up that could ease the scrap squeeze.*

al need for proper car disposal and giving the appropriate state agency's toll-free telephone number which could be called for assistance when a car disposal problem arises."

• That state agencies compile a list of contacts for junk vehicle collection and disposal sites. In this way, Dent said, the agencies "could supply information on the most appropriate site within a reasonable geographical area to which the vehicle could be taken."

He cited a Commerce Department survey showing that 24 percent of the cars abandoned in urban areas were left by owners who were ignorant of proper disposal means.

• That state and local agencies employ public service radio announcements to get the message across.

A sample radio spot prepared by Commerce and included with the Secretary's letter notes that "an abandoned car left to rust in a backyard or along the roadside is an insult to the environment" and that proper disposal of junk vehicles "will enhance the environment and conserve resources through recycling." A proposal for a poster-mailer to be used by schools and civic associations would bear the same message.

Dent defined two types of gathering points for old cars. The first, known as a "junk vehicle collection site," would be the initial stop for discarded cars on their way through the recycling or reclamation stages.

The second, known as a "junk vehicle disposal site," would be a place where the cars would be put through reclamation or processing, the final preparation of scrap metals into a form suitable for use by steel mills and foundries.

Secretary Dent was assisted in developing this program by the Industry Advisory Committee on Metal Scrap Problems. The committee is composed of representatives of the iron and steel scrap processing, automobile dismantling, non-ferrous scrap processing, steel producing, foundry, and automobile manufacturing industries.

Monitoring Of Fertilizer Exports Started; Farm Reporting Ended

Monitoring of agricultural commodity exports has been discontinued by the Commerce Department. These were no longer considered necessary in view of the monitoring requirements established by the U.S. Department of Agriculture.

At the same time, Commerce instituted a new comprehensive system to monitor exports, domestic supply and pricing of certain fertilizers.

The fertilizer monitoring system will provide timely data on each company's production, inventories, imports, shipments, foreign orders, and pricing for 10 basic classes of fertilizer materials. This information is needed by Commerce, the Cost of Living Council, the Council of Economic Advisors, and other agencies, to determine whether there will be an adequate supply of fertilizer to meet the needs of domestic commerce.

Under the new requirement, producers and importers will submit reports monthly, exporters will submit semi-monthly. Initial reports are to be compiled as of Nov. 30, and submitted within eight business days to Commerce's Office of Export Administration. Reporting forms will be available from Commerce and its 43 District Offices.

The agricultural reporting requirement was discontinued effective Nov. 20 because comparisons have shown that the Department of Agriculture's new reporting system is now adequately fulfilling the government's requirement for such information.

Details of these revisions are contained in Export Administration Bulletin No. 104.

Economic Censuses Of Wholesale, Retail Trade, Construction Industry Show Trends

Preliminary results of the 1972 Census of Retail Trade and the Census of Wholesale Trade began flowing from the Census Bureau this month.

The reports, made on a state-by-state basis and including the District of Columbia, present information on the characteristics of wholesale and retail trade such as sales data, number of business establishments by type, number of employees and payrolls.

Final, detailed data will be released in another series of reports to be issued on a flow basis, starting next year.

The first preliminary report on 27 industries covered in the 1972 Census of Construction Industries —the study of "Glass and Glazing Work Special Trade Contractors Industry — also was issued this month. Others in this series will be issued over the next few months.

Reports of the Census of Mineral Industries are scheduled to begin shortly.

Industry Highlights

Supply Shortages Dominate Industrial Marketplace

(Industry Highlights is prepared by the Office of Business Research and Analysis, Bureau of Domestic Commerce.)

For want of a nail the shoe is lost,
For want of a shoe the horse is lost,
For want of a horse the rider is lost.
George Herbert (1593-1633)

The shortage of mine roof bolts, used in deep mines to support ceilings, is a modern example of Herbert's adage. A roof bolt is a nail somewhat complicated by modern technology. It is a bolt three to 12 feet long with a shell at the top that expands under pressure and holds the bolt in place.

A six-inch-by-six-inch plate completes the assembly and is placed between the bolt head and the ceiling to provide support. A series of the bolts in the ceiling prevents roof falls, a major mine killer.

Enforcement of the Coal Mine Health and Safety Act has led to a current demand for some 90 million of these bolts. Although capacity to produce them is available, a shortage of steel bar to fabricate the bolts is leading to a real possibility of coal mine closings during this period of critical energy needs.

MINE ROOF BOLTS — *Pattern bolting with one inch, eight foot long, slotted-type bolts with link-mesh screen to control light sloughing secures the roof of this mine. Miners are shown at work beneath the bolt-secured roof.*

The bar stock has been a low price, low profit item and steel mills have been concentrating their limited resources in products which bring a greater return.

The Department of the Interior has advised the Cost of Living Council of the problem. One steel company with capability to roll the needed 9/16 inch bar has filed a price exception request and others are expected to follow. These requests, if granted, will enable them to produce more bars and avoid the problems that could result . . . "for want of a nail."

Ferrous scrap

Rising domestic prices and the existence of export controls continues to pressure the market for ferrous scrap.

World demand for ferrous scrap also has reached unprecedented high levels. This, in combination with strong domestic demand has pushed U.S. prices to near record heights.

The composite price of No. 1 Heavy Melting Steel Scrap, a good indicator of the trend in prices of many types of ferrous scrap, stood at a record $80.17 per gross ton on Nov. 15, 105 percent above a year ago. This escalating situation was one of the reasons for the application of short supply controls July 2, under authority of the Export Administration Act.

Currently both scrap processors with 60 or fewer employees and unprepared scrap are exempted from price controls. The Cost of Living Council has been examining its price regulations on ferrous scrap and through its Question and Answer series is expected to clarify this situation shortly.

The outlook for 1974 indicated a continued strong demand for scrap. A major concern next year will be whether U.S. steel scrap producers will continue their 1973 trend of exporting their scrap products to foreign countries where prices are in some cases $40 per ton over domestic prices.

Fiberglass boats

Fiberglass pleasure boat builders may face a slowdown by the end of 1973 due to polyester resin shortages, according to industry sources.

This shortage is mainly caused by an insufficient supply of benzene, now being used as an anti-knock agent in no-lead and low-lead gasoline production, and the diversion of styrene, used in resin production, to more profitable uses.

With the prospect of a slowdown the near-term future for the industry appears uncertain. Substitute materials for fiberglass for hull construction would require complete retooling at considerable expense and there are no assurances that the substitutes would be available. Boat hulls, other than fiberglass, are also manufactured of aluminum, another short supply material, and plywood. A shortage of marine plywood exists, as the bonding compound used in its processing is made of the same raw materials as fiberglass, and to further complicate matters raw wood materials to manufacture marine plywood are also in short supply.

Fiberglass boat manufacturers normally maintain a 30-45 day inventory of polyester resin. This would carry them through the remainder of the year. However, boat manufacturers are concerned whether sufficient supplies of polyester resins will be available in 1974.

A tight supply situation also exists in cement and concrete reinforcing bars.

Some easing of demand for ce-

ment in the northern part of the country can be expected with the approach of winter. However, the areas most affected by the tight supply situation are Florida and the Gulf Coast where cold weather is less of a factor.

Cement, concrete bars

The tight supply of cement over the past year has been caused by high levels of construction, coupled with little or no recent increases in capacity. Despite a drop in new housing starts demand is expected to continue at high levels as public utilities, industrial plants and public construction take up any cement freed from housing use.

Low profit margins are reportedly holding back capacity expansion. Industry sources indicate that present low profit margins originated in the late 1960s when there was excess capacity. These low margins are now built into the present price structure under Phase IV regulations. Additionally, environmental considerations have forced the closing of some plants and will increase the cost of new plant expansions. Some expansion has been announced for 1974-75, but how much effect this will have on net capacity additions will depend on any plant closings which may occur under the current Environmental Protection Agency regulations.

Like cement, concrete reinforcing bars are also in tight supply, according to steel and construction sources. This situation is more pronounced in the Southeast, especially Florida, and California; areas that have been experiencing construction booms over the past few years.

While there is a high demand for concrete reinforcing bars by the construction industry, their shortage apparently stems from U.S. steel producers of bars shifting to the manufacture of other products that generate higher profits. This in turn is related to the higher prices for ferrous scrap.

Notice To Exporters, Importers Doing Business With U.S.S.R.

The Government of the United States and the Government of the U.S.S.R. have executed a Maritime Agreement providing that U.S. flag vessels and Soviet flag vessels will each be afforded the opportunity to carry at least one-third of shipments moving in whole or in part by sea between the two nations.

U.S. exporters and importers doing business with the Soviet Union should be aware of this agreement in their dealings with Soviet foreign trade organizations to assure that appropriate consideration is given in the shipping terms and arrangements to effect compliance with this agreement. Specific information on this subject may be obtained from the following offices of the Maritime Administration:

WASHINGTON, D.C.—Maritime Administration, U.S. Department of Commerce, Washington. Contact: Lewis Paine.

NEW YORK, N.Y.—Maritime Administration, 26 Federal Plaza, New York, N.Y. 10007. Contact: Frank O'Donnell.

SAN FRANCISCO—Maritime Administration, 450 Golden Gate Ave., Box 36073, San Francisco 94102. Contact: Harold Romain.

NEW ORLEANS, LA.—Maritime Administration, 701 Loyola Ave., P.O. Box 52948, New Orleans, La. 70152. Contact: William Mitchell.

CHICAGO, ILL. — Maritime Administration, 1486 Federal Building, 219 South Dearborn St., Chicago, Ill. 60604. Contact: Andrew Molnar.

Industrial Diamond Consumption Is Detailed

Consumption of industrial diamond crushing bort, grit, and powder in 1972 matched the record high of 16.1 million carats consumed in 1969, according to a report just issued by the Commerce Department.

Synthetic diamond represented 54.7 percent of the total quantity used, or 8.8 million carats; natural diamond use amounted to 5.6 million carats, or 35.4 percent of the total, and reclaimed diamond use totaled 10 percent. Last year, U.S. firms reclaimed almost 2.6 million carats of crushing bort, grit, and powder, down 21.8 percent from 1969.

A breakdown of consumption figures shows that 69 percent of the industrial diamond material was used to make bonded diamond grinding wheels, 15 percent was used for saws, 6.7 percent for compounds, and 4.4 percent for polishing diamond and carbide dies.

The consumption of industrial diamond stones (excluding reclaimed diamond) reached 2,337,000 carats last year, down slightly from 2,350,000 carats in 1969. The stones were mainly used in the manufacture of drill bits and reaming shells (63.4 percent of consumption total), tools (24 percent), phonograph needles (3.2 percent), and grit tools (3 percent).

Diamond dust and powder exports rose from 8.3 million carats, worth $22 million, in 1969, to 8.6 million carats, worth $23 million, in 1972. Production and imports of diamond wire-drawing dies also increased in 1972 over 1969, but 1972 consumption dropped.

"Industrial Diamond and Small Diamond Dies, U.S. Consumption and Trade in 1972," and is available for 10 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

Phase IV Rules For Hospitals, Health Services Industries Are Outlined

Proposed Phase IV price regulations for the health industry, which are designed to reduce inflation in health care and improve efficiency of the Economic Stabilization Program, are open for public comment until Dec. 1.

Final regulations are scheduled to be issued with an effective date of Jan. 1, 1974.

"Health care was one of the most inflationary sectors in the economy prior to the Economic Stabilization Program," Dr. John T. Dunlop, Director of the Cost of Living Council, noted in announcing the proposed rules. "The rate of inflation has slowed substantially under the Phase II and Phase III controls. The responsible participation of the health industry was an important factor in that success."

HEALTH SERVICES—*One of the largest industries — health services — is covered in new price rules proposed by the Cost of Living Council to become effective Jan. 1. Here, one of nine myocardial infarction research units in the nation is functioning at the Medical Center of the University of Alabama in Birmingham.*

He added that the controls systems currently in effect have limited flexibility and incentives, and the new regulations "should continue to contain the rate of inflation in health industry, but at the same time, foster longer-term cost containment initiatives."

The Cost of Living Council has clarified aspects of the proposed regulations in a new question and answer series which should interest businessmen in the health services and those supplying the health services industries. Included in the series are:

Q. Why don't you place a control on the price per service in the hospital?

A. Because of the complexity and changing nature of hospital services, it is almost impossible to separate increased costs associated with providing the same level of service from those attributable to providing more and different services. Further, it is the total price of a stay in a hospital, not the price of an individual service, which is of most concern to patients or their insurance carrier.

Q. Why has the Cost of Living Council separated in-patient and out-patient services?

A. To encourage more efficient utilization of health care resources, the regulations provide for distinct treatment of out-patient services. They represent a less expensive alternative to in-patient care.

Q. Is there a moratorium on new beds?

A. No. Even though underutilized beds are expensive to the patient and the community, the Cost of Living Council is not introducing a moratorium on new beds. However, before price increases are granted for new beds on an exception basis, the need of the community for these additional beds must be documented. The Council will rely on state and local agencies for determination of the need.

Q. What is the relationships between the proposed Phase IV review of capital expenditures and the efforts of the comprehensive health planning agencies provided for by Public Law 92-603?

A. In examining requests for exception to finance new capital and new service programs, the Council will look for approval of the project by the appropriate state authority as evidence of need for expenditure, thus reinforcing the needs to develop such activities on the state and local levels.

Q. Are new services counted in the average charges for all admissions?

A. Those new services not requiring approval of the state planning authority (under $100,000) are included in the 107.5 percent limitation. Cost and charge increases associated with new services requiring approval would be allowable in addition to the 107.5 percent limitation provided they are judged through the exception process to be needed and reasonable.

Q. Are charges for personal services and products such as telephone and television, which are provided and billed to patients, to be included in the calculation of "per admission" limitations?

A. Such charges and costs are not normally accounted for as "patient services" and would therefore be excluded in calculation of "per admission" limitations. However, when such a service as telephone or television has been incorporated into the "room and board" charge or "routine services," then it would have to be included.

Q. Are the limitations on increases in charges and on increases in expense independent?

A. Yes.

Q. Are there limitations by classes of purchasers?

A. There are no restrictions by class of purchaser.

Q. Are there special provisions for small hospitals?

A. Yes. In order to be more responsive to the problems of the small institutions, faced with high fixed costs and declining occupancies, the range in which we permit total costs and charges of the institution to remain at the same levels, even with a reduction in admissions, is twice the size of that allowed for large hospitals. A similar more lenient treatment applies to an increase in admissions. It is hoped that the removal of internal cost caps, profit margin tests and simplification of compliance forms will better enable small hospitals to understand and adhere to the Economic Stabilization Program guidelines.

Q. What is your definition of a small hospital?

A. For the purpose of Phase IV controls, a small hospital has been defined as one having less than $2,000,000 in total in-patient operating expenses or fewer than 3,500 admissions in its preceding fiscal year.

Q. How are merged hospitals to be treated?

A. The statistical and financial data from the merged hospitals will be combined and in-patient "per admission" and "out-patient" weighted price increase limitations recalculated on the basis of the consolidated information.

Q. Will determinations and rulings on new services or facilities made by the Internal Revenue Service or the Cost of Living Council prior to the effective date of the new regulations (Jan. 1, 1974) be honored if the new services and new facilities will not be operational until 1974 or later?

A. Yes, the new regulations recognize such actions.

Q. What about charity and research grants under the new stabilization program?

A. Since charges to in-patients are not affected by the amount or nature of charitable or research funds, these items are not controlled by the stabilization program.

Q. Once a state has received a certificate of compliance from the Cost of Living Council to administer its own hospital control program, can the Council reverse any decision of that state if it is considered to be contrary to the goals of the Economic Stabilization Program?

A. No, the Council cannot reverse or repeal a specific decision made by a certified state agency. The Council can, however, examine the records of such a state agency, and can revoke a state's certificate of compliance if it is determined that the agency is not acting in accordance with the rules to which it has become certified.

Q. How does the proposed new control system for long term care institutions differ from the Phase II and III rules governing these facilities?

A. Under the Phase II and III rules, long term care institutions were subject to the same rules as hospitals. Under the proposed new control system, the differences between these two types of institutions are recognized. In contrast to the current controls for long term care institutions, the proposed system limits realized per diem revenue by class of purchasers and level of care, but contains no cost justifications requirement or profit margin restriction. The reporting requirements are also less complex than are those for hospitals.

Q. Will a facility which provides housing for the elderly be subject to the Phase IV regulations for long term care providers?

A. The proposed Phase IV regulations for long term care providers will not apply to institutions whose chief function is to provide housing for the elderly. However, if a facility contains a distinct part which is licensed or certified to provide skilled or intermediate nursing care on a continuous basis, only this part of the facility shall be subject to the Phase IV controls for long term care facilities.

Q. Under Phase II rules Medicare could increase 9 percent. How much can these reimbursements rise under the new proposed control system?

A. The proposed control system contains a class of purchaser provision which was not included in the old Phase II and II rules. Phase II and II of the Economic Stabilization Program requirements maintained a 6 percent overall limit for all classes of purchasers. Whereas Medicare allowed a 9 percent increase in reimbursements, this was a "presumptive" level of compliance. Under the proposed system, increases to each class of purchaser, including Medicare, are restricted to 6.5 percent. This makes monitoring easier for all parties and prevents inadvertent non-compliance by a change in the number or distribution of patients among classes and levels of care.

Q. How will an institution be affected by changes in volume?

A. Because the control measure in the proposed system is a unit of volume measure and limits the average realized per diem revenue for each level of care, further volume adjustments are unnecessary.

Q. Are any of the internal cost caps of Phase II retained in the new regulations?

A. No. However, the 5.5 percent constraint on wage adjustments in the health industry remains in effect.

Q. What incentives does the new system provide for nursing homes to more readily accept difficult and more costly patients referred to them by hospitals?

A. The proposed system is designed to be neutral on changes in patient mix. It neither rewards nor penalizes an institution for changing its mix of patients. If patient mix changes for any class of purchasers cause the revenue limitations for any level of care to be exceeded, an institution may seek an exception from the Cost of Living Council.

Q. How does the proposed new control system for medical prac-

titioners differ from the Phase II and III regulations for non-institutional providers of health services?

A. The proposed system eliminates cost justification as a requirement for price increases; increases the aggregate annual weighted price increase limit from 2.5 percent to 4 percent and places a 10 percent limit on the permissible price increases for any service over $10 and $1 increase for services under 10. It allows aggregate weighted price increases to be determined using weights based on the previous calendar year's billings rather than projected volume of services; and it shortens the length of time a profit margin test is in effect following a price increase.

Q. What information is required on a medical practitioner's price schedule?

A. The price schedule must show the prices in effect Oct. 1, 1972, for those services which comprised 90 percent of total revenues in the last calendar year. It must also contain any subsequent change in any of these prices, the date of each price change, and the weight given to that service in determining the total aggregate weighted price increase.

Q. How is a hospital-based pathologist with a percentage-of-net contract restricted by new Phase IV price regulations?

A. The pathologist's "price" is defined to be the revenue received for each service performed or product provided by his department. This "price" is subject to all the provisions of the revised Phase IV regulations. If the hospital does not raise its prices for that department, the percent of net contract may be increased more than 4 percent, the pathologist may receive only an additional 4 percent aggregate weighted revenue.

State Revenue Collections Jumped 15 Percent To $112 Billion In 1972

Revenue collected by state governments from all sources totaled $112.3 billion in the 1972 fiscal year—a 15.5 percent increase over fiscal 1971—according to the Bureau of the Census.

A new report shows that expenditures by the 50 states rose 10.5 percent during fiscal 1972 and amounted to $109.2 billion.

Taxes provided $59.9 billion, or about three-fifths of the total 1972 state general revenue. Charges and miscellaneous general revenue increased 10.6 percent to $10.8 billion, while intergovernmental revenue totaled $28 billion, 17.5 percent more than the 1971 sum.

The increase in state tax revenue during 1971-72 amounted to 16.2 percent. A breakdown shows that general sales and gross receipts taxes provided $17.6 billion; taxes on motor fuel ranked next with $7.2 billion; tobacco sales tax totaled $2.8 billion; taxes on alcoholic beverages, $1.7 billion; and motor vehicle license taxes $3.1 billion.

The yield from individual income taxes, imposed by 44 states, reached $13 billion in fiscal 1972, up 28 percent from the 1971 figure. Corporate net income taxes amounted to $4.4 billion in 1972, 29 percent more than in the previous year.

The 50 states spent more for education than for any other purpose. Of the $98.8 billion listed as general expenditures, $38.3 billion went for education. Expenditure for public welfare totaled $19.2 billion, and spending on highways amounted to $15.4 billion. Spending for hospitals, the fourth major state function, rose 8.7 percent, totaling $5.1 billion.

Single copies of *State Government Finances in 1972*, GF 72, No. 3, may be obtained for 90 cents from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C., 20402, or from Commerce District Offices in major U.S. cities.

Personal Income During October Rose $9.2 Billion

Personal income rose $9.2 billion in October to a seasonally adjusted annual rate of $1,067.7 billion, Commerce's Bureau of Economic Analysis reports.

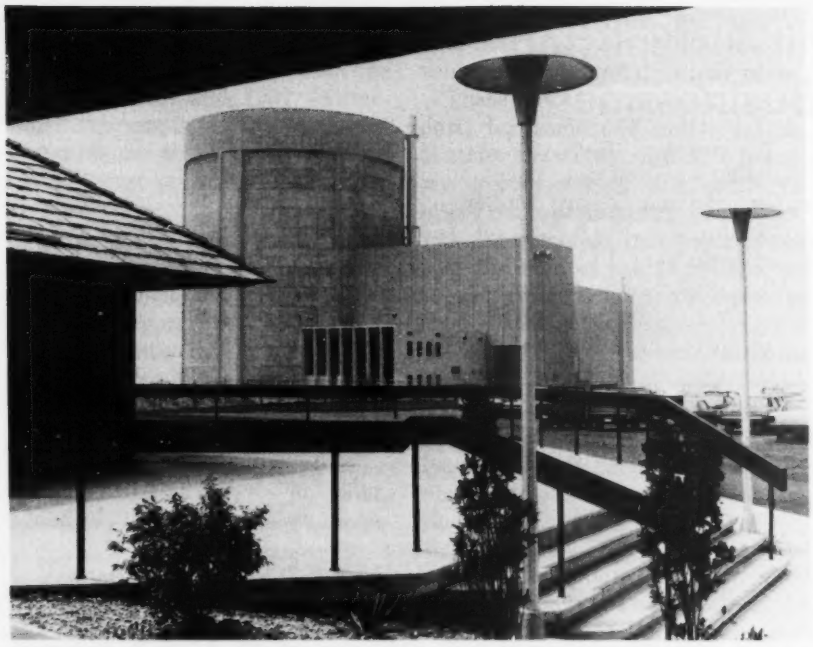
Private wage and salary disbursements rose $4.1 billion in October, compared with $6.3 billion in September. The slowdown occurred in all major groups. Payrolls in commodity - producing industries were up $2.3 billion in October after gaining $3 billion in September and distributive and service industry payrolls rose $.9 billion each, about half their September increases.

Government wages and salaries rose $2.2 billion in October. About $1.5 billion of the October gain was due to pay increases for federal civilian and military personnel. Excluding the federal pay raise, government payrolls rose about the same as in September.

Manufacturing payrolls increased $1.9 billion in October. The October advance reflected increased employment and higher average hourly earnings as the workweek declined. Most industries showed gains; the largest were in primary metals, transportation equipment and food.

Except for farm income which remained stable after three months of rapid growth, other nonwage items moved up at about the same pace as in September.

Personal income in the first 10 months of 1973 was at a seasonally adjusted annual rate of $1,025.6 billion, $94.7 billion, or 10.2 percent above the comparable 1972 period. For the corresponding period in 1972, the advance over the preceding year was 8.4 percent.



NUCLEAR, ONE ANSWER—*Nuclear power plants such as this Palisades Nuclear Power Station are producing energy to keep today's industry humming but the future calls for conservation and expansion to additional energy sources. Palisades generates 700,000 kilowatts of electricity. Located on Lake Michigan, about 35 miles west of Kalamazoo, the plant was designed by Combustion Engineering, Inc.*

U.S. Corporations Asked To Make Commitments To Save Energy Plan

Forty-five thousand corporations are being asked for commitments to an energy management program that could ease fuel supply problems.

Secretary Dent, in a letter to the corporate heads, expressed concern that there be "minimum disruption in our vigorous economy and that business and industry not be slowed unduly" by the fuel shortage.

"Fuel supply problems can be minimized if each company will adopt an effective energy conservation program," Dent said, adding that daily contacts with business leaders indicate that hundreds of companies have already started energy conservation efforts.

The Commerce Secretary's energy management program calls for:

- Top management commitment to energy conservation;
- An audit of all energy usage;
- Tough, measurable goals for energy savings;
- An information campaign aimed at convincing employees, suppliers and customers of the need for energy conservation.

To commend cooperating corporations, Commerce will award each firm committing itself to the energy management program a Savenergy Citation.

Energy-Related Patent Applications Speeded

Energy-related patent applications are being expedited by Commerce's Patent Office in response to a Presidential directive calling for new procedures to help alleviate the current energy crisis. Both newly-filed and already on file, upon request, will be accorded special status and receive accelerated examination.

Applicants may request "special" examination, explaining how their inventions contribute to the discovery or development of energy resources, or the more efficient utilization and conservation of energy resources.

Examples would be those relating to further developments in fossil fuels (natural gas, coal and petroleum), nuclear energy, solar energy, or inventions relating to the reduction of energy consumption in combustion systems, industrial equipment, and household appliances.

By according priority to energy patent applications, Commerce Secretary Dent said he is confident the normal operation of the patent system will stimulate further creative effort in this area.

Details of the speeded-up process were printed in the Federal Register October 26 and in the Official Gazette of the U.S. Patent Office November 6, 1973. Copies of the notice can be obtained from the U.S. Patent Office, Office of Information Services, Washington, D.C. 20231.

U.S. Travel Industry Flourishes From Flow Of Overseas Visitors

The U.S. travel industry flourished from the flow of 2.4 million overseas visitors during the first eight months of 1973, according to the United States Travel Service.

The figure represents an increase of 26 percent over the total for the same period of 1972 and does not include arrivals from neighboring Canada and Mexico.

Forty-seven percent of the overseas visitors were from four countries—Japan, the United Kingdom, Germany and France. Others in the top ten were Italy, Australia, Bahamas, Venezuela, Brazil and the Netherlands.

Academic Community Is Enlisted To Aid U.S. Small Businessmen

The nation's academic community is being urged to increase its efforts in providing management assistance to small business through the Small Business Administration's Small Business Institute program.

SBA Administrator Thomas S. Kleppe, addressing the annual meeting of the American Institute for Decision Sciences in Boston, noted that at the end of the Small Business Institute's first year of operation there were only 52 colleges or universities participating. This fall term, 150 schools are participating and eventually it is hoped that at least 500 schools will be participating.

The Small Business Institute has inherent benefits for students, faculties, universities, small business clients and SBA, Kleppe noted further. The taxpayer benefits by realizing a $5 bonus for each dollar expended from the program if the counseling were bought on the open market.

SBI-counseled borrower-clients were strongly in favor of the program. Of the businessmen responding to an evaluation questionnaire or in-depth interview, 86 percent in the spring and 82 percent in the fall reported that the overall program was a success.

The program influences participating students toward small business ownership and management, Kleppe said. Of the 524 students responding in the fall, 330 or 63 percent, and of the 761 students reporting in the spring, 328 or 43 percent reported that they would like to become owners or managers of small businesses.

U.S.-Mexico Border Changed To Follow River

The United States and Mexico are surveying areas where the Rio Grande River will be relocated to modify the U.S.Mexican boundary in accordance with the 1970 Boundary Treaty.

Over the years, changes in the course of the border river have placed U.S. lands in Mexico, and former Mexican territory in the United States. Under the recent treaty between the two nations, the position of the Rio Grande will be modified in the vicinity of Presidio and Hidalgo, Texas, to relocate the international boundary.

The present survey will establish the center line for approximately 10 miles of new river channel, to be constructed between Texas and the Mexican States of Chihuahua and Tamaulipas. Relocation of the river will result in the transfer of approximately 1606 acres of land from the United States to Mexico, a transfer of 252 acres from Mexico to the United States in the Presidio Valley area, and an exchange of 481 acres in the Hidalgo area. The cost of the joint works to be undertaken will be shared equally by the United States and Mexico.

The U.S. part of the surveys is being accomplished on a cooperative basis with the U.S. Section of the International Boundary and Water Commission, which is funding the program. The International Commission will supervise the transfer of the land and the construction of the channel relocation.

Elders Own Larger Percentage Of Housing

More than a quarter (27.5 percent) of all U.S. households counted in the last decennial census were headed by a senior citizen, a new Census Bureau report shows.

The 963-page report is among a series of special detailed subject studies from the census that have been published during 1973.

Altogether, the new report shows, 17.5 million of the nation's 63.4 million occupied housing units were headed by a person 60 years or over. A total of 12 million of the units with a senior citizen as head were owner-occupied and 5.5 million were rented quarters. Thus, 69 percent of housing units with a head 60 or over were owner-occupied. The national proportion of owner-occupied units is only 63 percent.

The median annual income of senior households was $4,200, exactly half that of the population as a whole. And, the median number of persons in senior citizen households was 1.8 per unit, much smaller than the 2.7 nationally.

Data in the report are shown by age groupings and race, for the U.S., inside and outside the Standard Metropolitan Statistical Area and selected places.

Copies of "Housing of Senior Citizens," HC (7)-2, are available for $8.35 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D. C. 20402, or from Commerce District Offices in major U.S. cities.

Industrial Value Added Increased 33 Percent

Value added by manufacture in America's industrial plants, unadjusted for price change, totaled over $348 billion in 1972, or some 33 percent more than in 1967. However, the Bureau of the Census reported that the number of persons employed in manufacturing dropped from 19.3 million to 18.6 million in the same period.

These preliminary data based on the Annual Survey of Manufactures sample appear in an advance report of the 1972 Census of Manufactures, which includes data from the Bureau's 1971 Annual Survey of Manufactures.

The increase in value-added, although considerable for a five-year

period, was slightly less than the 36 percent increase registered in the four-year interval between the census of 1963 and 1967. Value-added represents the difference between value of products shipped and the cost of materials used to produce them.

More significant, however, is the employment picture. Employment in manufacturing rose rather steadily through the 1960s to a high of slightly more than 20 million in 1969. It declined to 19.2 million in 1970, dropped further to 18.4 million in 1971, but rose slightly to 18.6 million in 1972.

In addition to figures on value-added . . . and employment, the report presents data on payrolls, man-hours, value of shipments, inventories and capital expenditures.

These data are shown, in the report, for some 440 individual industries classified into 150 industry groups which are combined into 21 major industry groupings. The report shows that value-added rose for each of the 21 groups, although employment dropped in most of them.

The report, *General Statistics for Industry Groups and Industries*, MC72(P)-1, is for sale for 35¢ per copy by the Publications Distribution Sec., Social and Economic Statistics Admin., Washington, D.C., 20233.

Manufacturing, Trade Inventories Rose $1.2 Billion In September

Manufacturing and trade inventories rose $1.2 billion in September, compared with $1.9 billion in August, according to Commerce's Bureau of Economic Analysis. Manufacturers' inventories rose $886 million and wholesalers $322 million. Retailers' stocks were almost unchanged.

Combined business sales slipped fractionally in September. Dollar volume declined .6 percent for wholesalers and .3 percent for manufacturers. Retail sales edged up .3 percent.

The combined business stock-to-sales ratio was 1.44 in September, compared with 1.43 in August. It was 1.49 in September 1972.

For the third quarter, inventory accumulation totaled $4.6 billion at book value, compared with the record $5.7 billion reported for the second quarter. Manufacturers' inventories rose $2.8 billion and wholesalers' $1.1 billion. Retailers' holdings grew $732 million.

The stock-to-sales ratio was 1.44 at the end of the quarter, unchanged from the two preceding quarters. The ratio was 1.51 at the end of the third quarter in 1972.

Retail inventories edged up $14 million in September, as an increase of $74 million in nondurables was largely offset by a decline of $60 million in durables. Inventory cutbacks reported at apparel and department stores came close to matching increases for other nondurables lines. Automotive inventories fell $175 million, outweighing an increase of $114 million at "other durable goods" stores.

Inventory accumulation by retailers during the third quarter totaled $732 million, compared with $2.0 billion for the second quarter. The third quarter increase for durable goods lines came to $336 million and $396 million for nondurables, both increases about one-third the size of the second quarter increment.

Wholesalers' durable goods stocks rose $259 million in September, accounting for four-fifths of the total trade accumulation. Nondurable lines added $63 million in September, after having grown rapidly in July and August. For the third quarter, nondurables inventories were up $931 million compared with $207 million in durables.

Manufacturers' stock accumulation during the third quarter totaled $2.8 billion, about the same as in the second quarter. Durable goods firms added $793 million in September, bringing the third quarter increase to $2.2 billion. Nondurable goods inventories rose $93 million in September, making the increase $563 million for the quarter.

Retail sales edged up 0.3 percent in September, bringing the total for the third quarter to nearly $128 billion, 2.8 percent above the second quarter rate. Nondurable goods sales rose 1.4 percent in September and 3.4 percent for the quarter. Durable goods sales dropped 1.9 percent in September but showed a 1.7 percent increase for the quarter on the strength of gains in July and August.

Merchant wholesalers reported sales declines of 0.3 percent for durable and 0.8 percent for nondurable lines in September, holding the third quarter total sales increase to 3.2 percent compared with 3.9 percent in the second quarter.

Industrial Waste, Water Problems To Be Reviewed

Nearly 100 papers on water, air and solid waste environmental problems will be presented at the Water and Wastewater Equipment Manufacturers Association's Industrial Water and Pollution Conference and Exposition April 1-4 in Detroit.

"We have had excellent response to our initial call for technical papers in mid-September," reports Robert B. Bruns, technical program chairman.

Asserting that the burden of compliance with federal and state laws rests upon industry, Bruns said the conference technical program will be devoted to: "Best Available Sources of the Best Practicable Control Technology" and will be geared to serve the needs of consulting engineers and industrial environmental specialists.

Third Quarter Corporate Profits Gain $.5 Billion

Before-tax book profits of corporations rose $.5 billion to a seasonally adjusted annual rate of $129.4 billion in the third quarter, according to preliminary estimates by Commerce's Bureau of Economic Analysis. The increase in the second quarter was $9.3 billion.

Financial institutions — mainly commercial banks and the Federal Reserve Banks—continued to show gains in book profits. Profits advanced for the transportation, communication and public utilities group as well as for nondurables manufacturing. Earnings of durable goods producers were down sharply. The largest decline was in the motor vehicle industry.

Corporate profits tax liability is estimated at $57.9 billion for the third quarter, an increase of $.5 billion from the second quarter rate. After-tax earnings are little changed at $71.5 billion. Dividend payments, at $28.1 billion, are up $.8 billion. Retained earnings amounted to $43.5 billion, down $.7 billion from the second quarter.

Corporate capital consumption allowances increased $1.3 billion, to $71.8 billion. Cash flow—retained earnings plus capital consumption allowances — rose to $115.3 billion, up $.6 billion from the second quarter rate.

The book profits measure includes gains or losses due to the difference between the replacement cost of goods taken out of inventory and the cost at which they are charged to production. When BEA measures profits for national income purposes, such inventory gains or losses are excluded through an "inventory valuation adjustment."

Third quarter inventory profits are estimated at $17.0 billion, $4.1 billion less than in the second quarter, reflecting a slowdown in wholesale price increases. As a result, the national income measure of pretax corporate profits rose $4.5 billion, to $112.4 billion. This advance compares with the second quarter gain of $3.6 billion.

New Pact Gives Northeastern U.S. Fishing Industry Economic Boost

New hope for the gravely-depleted fishing grounds off the northeastern United States was sparked by a recent international agreement.

The pact, made at an October meeting in Ottawa of the International Commission for the Northwest Atlantic Fisheries, not only represents a major step in fisheries stewardship but substantially improves the prospects of the hard-pressed New England fishing industry, Secretary Dent stated.

"This agreement reverses a perilous trend toward further depletion of the stocks and institutes a policy which should permit the fishery not only to survive but to recover to a state of health," Secretary Dent commented. "Further, it is notable in that, for the first time in marine fisheries history, an agreement encompasses the entire ecosystem instead of being limited to individual species."

Last June Secretary Dent, disturbed at foreign over-fishing and the lack of progress in the ICNAF, called in urgent terms for major reductions in foreign fishing off the U.S. shores, and recommended that unless that organization moved to end over-exploitation the U.S. should seriously reconsider whether this country should retain its membership in the ICNAF.

He extended congratulations to the United States Commissioners to ICNAF — Ambassador Donald McKernan of the State Department, David H. Wallace, Associate Administrator for Marine Resources of Commerce's National Oceanic and Atmospheric Administration, and Ronald Green of Maine, industry representative.

"Their dedicated and persuasive negotiation accomplished a tremendous victory for conservation," Secretary Dent asserted. "We are also highly appreciative of the cooperation and understanding shown by all member states of ICNAF. We are convinced the agreement will benefit all nations which fish these grounds—not just the United States."

The participating nations agreed unanimously (with Romania abstaining) to a three-year series of reductions from current levels, estimated at a total catch of 1,180,000 metric tons of all species for all countries, for 1973. The 1972 catch was 1,188,000 metric tons.

Total catch reduced

The total catch in 1974 would be reduced to 923,900 tons; the 1975 catch to 850,000 tons; and the 1976 catch will be set on the basis of information gathered in 1974 and 1975. The third-year figure is anticipated to bring the ecosystem to total recovery.

It was further agreed that vessels over 145 feet long (few of which are U.S.-operated) will refrain from bottom-fishing between July and December of each year in an area off New England. The practice will allow stocks of yellowtail flounder, a major Massachusetts fishery, and young haddock, which are seriously threatened, to regenerate.

It was agreed that the reductions would not be at the expense of U.S. fishermen. The total quota for fishing, in the area off the East Coast between Canada and Cape

Hatteras, allows for a small increase in catches for the coastal fisheries of the United States and Canada. The U.S. quota for 1974 will be approximately 195,000 tons.

In recent years, the U.S. catch has declined dramatically, while those of foreign nationals have ballooned.

The United States' share of individual species will be: cod, 25,267; redfish, 24,747; silver hake, 38,300; red hake, 15,000; pollock, 12,000; yellowtail, 24,000; other flounders (except yellowtail), 21,700; squids, 5,600.

The U.S.S.R.'s share: cod, 2,463; redfish, 1,725; silver hake, 113,056; red hake, 32,000; pollock, 2,100; other flounders (except yellowtail), 2,600; squids, 8,500.

Canada's share: cod, 4,820; redfish, 414; pollock, 34,000.

One-Family Home Sales In September Totaled 571,000 Units

The number of new one-family homes sold in the United States during September 1973 was at a seasonally adjusted annual rate of 571,000 units, slightly above August's revised rate, but 25 percent below the September 1972 rate, according to preliminary statistics just released by the Census Bureau and the Department of Housing and Urban Development.

The total number of new homes available for sale at the end of September was 455,000 on a seasonally adjusted basis, slightly below August, but 18 percent above September 1972.

For homes sold during September, the seasonally adjusted median number of months from start of construction to sale was 4.5 months.

Median sales price of all new one-family homes sold in September was $33,000. The median intended sales price of all new one-family homes for sale at the end of September was $32,100.

Consumer Patterns Change With Sizable Shift To Singles Lifestyle

The number of persons who live alone or live with persons not related to them increased by about two million between 1970 and 1973, according to a new Census Bureau study.

Young men and elderly women accounted for the largest proportion of the increase of Americans in this category during the three-year span, the new report shows. A significant increase also was recorded among young women.

Businessmen, especially those in the retail trades, follow census studies closely to spot new consumer markets.

The number of persons living alone or with unrelated persons increased by about one million for both men and women between 1970 and 1973. This group is called primary individuals.

Among males, the largest proportion of the increase in primary individuals fell into the 14 to 34-year-old range. They made up 65 percent of the total male increase. Women 65 years old and over comprised the increase in female primary individuals, with 53 percent of the total. However, as was the case for males, a significant amount —34 percent—of the total increase for female primary individuals was for single women 14 to 34 years old.

The report also noted a decline in the percent of persons under 18 years old in families who live with both parents.

The report also indicates, as previous ones have, that there has been a change in the percent single among both men and women in the United States. This change shows a higher proportion of persons under 35 and still single and a decline in the proportion of persons 35 and over who remain single.

Included in the report is information on the marital status of the population 14 years old and over by age, race, sex, farm-nonfarm residence, family relationship, presence of parents for persons under 18, and household heads by marital status for regions.

—Census Bureau

Calendar For Businessmen

Nov. 30 — Jamaica, N.Y. — Business Opportunity Federal Procurement Conference. For information, Richard R. White, Jamaica Chamber of Commerce, 89-31 161st St., Jamaica, N.Y. 11432. Phone: 212-657-4800.

Dec. 4-5 — Philadelphia — Environmental Law, two-day practical course for managers and engineers, sponsored by International Association for Pollution Control. For information, IAPC, 4733 Bethesda Ave., N.W., Suite 303, Washington, D.C. 20014.

Dec. 6 — Washington, D.C. — Atomic Industrial Forum Seminar on Nuclear Merchant Ships.

Jan. 6-9, 1974 — New York — 63rd annual convention of National Retail Merchants Association. For information, Convention Coordinator, 100 W. 31st St., New York, N.Y. 10001.

March 4-5, 1974 — Louisville — Fourth Environmental Engineering Conference, sponsored by International Association for Pollution Control and University of Louisville.

April 1-4, 1974 — Detroit — Water and Wastewater Equipment Manufacturers Industrial Water and Pollution Conference and Exposition.

May 14-16, 1974 — Washington, D.C. — Fourth Marine Pollution Control Conference sponsored by the International Association for Pollution Control.

INTERNATIONAL COMMERCE REPORT

- **Port equipment seminar held in Africa**
- **Apparel Trade mission explores East Europe markets**
- **Report on National Foreign Trade Convention**
- **Current boom in Korea detailed**
- **U.S. sales in big climb in the Netherlands**
- **Economic trends in Belgium, Switzerland described**

Iran Trade Center Taps Glittering Market

When the newest Commerce Department Trade Center opened Nov. 4 in Tehran with an exhibit of U.S. medical and hospital equipment, a leading Iranian official asked: "Where have you been? I've been waiting five years for you." The Iranian medical community, as if to demonstrate its pent-up demand, then proceeded to buy everything in sight, setting a new standard for an opening event at a U.S. Trade Center.

Asst. Secretary of Commerce for Domestic and International Business Tilton H. Dobbin helped open the fifteenth overseas trade facility maintained by the Department of Commerce. U.S. Ambassador to Iran Richard Helms and Iranian Under Secretary for Industries Abbasqoli Bakhtiar also participated in the ribbon-cutting ceremony.

The 38 exhibitors, representing 56 U.S. firms, reported $2.6 million in off-the-floor sales, and expect another $2 million in show-related sales during the coming year for exhibitors who were new to the market.

Nine exhibitors were seeking one or more representatives in Iran, and seven agency agreements were signed during the exhibit. Another eight were under negotiation as the show closed.

'Complete success'

"This was a complete success," said the president of Tru-Eze Manufacturing of Burbank, California. "We made excellent contacts and created great interest in our type of products. We look forward to a good growth in sales."

"Most impressive of Trade Center exhibitions attended," reported the European Sales Manager for Dynatech Corp. of Cambridge, Mass. "Good organization and design. Interest from visitors good."

"I think this promotional program is tremendous. It offers much potential for us," said Joseph R. Faszold of Foster-Hard Co. of Buffalo.

"This show was very well planned," said J. M. Walker, president of the Chattanooga Pharmacal Company. "Pre-show contacting and invitations proved very effective for our products. The show was definitely a strong aid to our local dealer."

"Personnel who attended the exhibition were the influential buyers in Iran," reported Michael J. Stevens, Middle East sales manager for Sherwood Medical Industries of St. Louis.

Commerce Department country specialist for Iran Don Ryan reports:

"The entire Iranian market, not just the medical and hospital equipment industry, is wide open to American marketing techniques.

"If American companies can build a reputation for after-sales service, they can wrap up the market. Every lab I visited had at least

HIGH INTEREST—*Potential buyers view exhibits of Travenol Trading Co. and Beekman Instruments during opening exhibit of medical and hospital equipment at opening of Commerce's newest overseas Trade Center, in Tehran. Off-the-floor sales totaled $2.6 million, and new-to-market firms expect another $2 million in show-related sales during the coming year.*

one instrument down. They would call the manufacturer and get no satisfaction.

"The market simply isn't served. No matter what product you're talking about, the market isn't served."

The currency realignments of the past year mean that now the U.S. has the good products, which we've always had, and in many cases they're cheaper than our competitors, which wasn't always so."

Oil for growth

Iran's oil revenues are estimated to reach $3.5 billion for 1973. The national policy to devote most of this income to developmental needs, rather than to build up reserves or to invest the income abroad, will create attractive opportunities for American exporters. Expenditures on development during the five-year period 1973-78 are projected at some $50 billion (up from $14 billion of actual outlays in the previous plan).

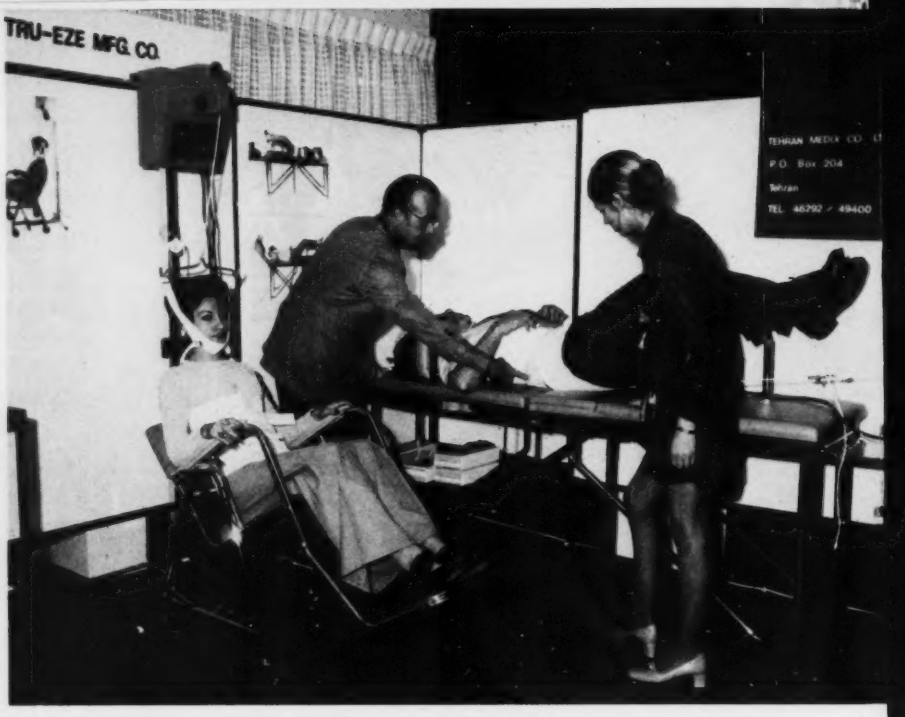
"We're going to tie in a Trade Center show with every major product category they need," says Ryan. "They're going to build a million housing units, so we'll schedule a housing construction show; they're going to develop one of the world's most fertile fruit growing areas, so we'll be there with an agribusiness show." The next scheduled event at the Trade Center will be a business machine show during February.

"We've been able to remain even with Germany and Japan as the leading suppliers to the Iranian market. Now, the recent currency revaluations have given us a multi-billion dollar marketing opportunity," according to Trade Center Director Peter Dahmlow.

The success of Iran's development program is indicated by an average real annual growth rate of 11 percent in the GNP since 1964. In fiscal 1972, the GNP grew by 13 percent to $15.8 billion a per capita income of about $510. There is every reason to expect a comparable increase in 1973.

Iran's growth depends on a continued substantial input of industrial goods and know-how. Although the United States faces keen competition from Western European and Japanese suppliers,

INSTANT RELIEF—*Mrs. J. M. Walker of Chattanooga Pharmacal Co. demonstrates one of her firm's hydrotherapy wrappings.*



TEHRAN OPENING—*Asst. Secretary of Commerce Tilton H. Dobbin (l.) speaks at the ceremony marking the opening of the new Trade Center. U.S. Ambassador to Iran Richard Helms is in background. Top and bottom, visitors get the feel of the latest U.S. equipment.*

we have maintained a slightly over 20 percent share of the Iranian market. The Iranian buyer has no reservations about the quality of U.S. capital goods.

A further indication of Iran's receptiveness to U.S. products was the attendance at the American pavilion in Tehran's first International Trade Fair. The doors to the pavilion had to be closed a number of times until the pressure of the crowds decreased to a manageable level. The Fair, held in Tehran from September 11-24, included displays from 21 foreign countries, as well as exhibits by 139 Iranian companies, and attracted a total attendance estimated at 650,000.

Star of show

The American pavilion was undoubtedly the star of the show, thanks in large part to the Skylab and Lunar Roving Vehicle exhibits loaned by NASA for the occasion. It is estimated that some 400,000 people visited the pavilion during the course of the Fair — and they were in a buying mood. Sales and solid leads for orders reported by the 14 American exhibitors exceeded $5 million.

TECHNICAL TEAM IN NIGERIA—*Seminar participants Townsend M. Lucas and Paul Bender (center) talk with the dockyard manager at Lagos Customs Quay.*

U.S. Seminar Team In Africa Finds Opportunities To Sell Port Equipment

Containers are coming in growing numbers to the West Coast of Africa and many ports are modernizing their facilities to handle them. Freight tonnages handled by these ports have nearly doubled over the last five years. Several port expansion projects with World Bank financing are being undertaken to prepare for the expected increased traffic.

Representatives of six U.S. firms took a good look at this market during the technical sales seminar on modern port management, sponsored by the U.S. Department of Commerce in Nigeria, Zaire, and Cameroon Oct. 18–Nov. 2. They found many opportunities for their companies to supply equipment and services for port development. They also discovered that decision-makers in African transport—port and railway officials, transit companies and shippers—are eager to learn from U.S. businessmen what products and techniques are available for improving their services.

The seminar members toured port facilities in all three countries. Guided by Nigerian Ports Authority officials, they were introduced to the Lagos/Apapa extension project on which work will soon begin. The project includes the dredging and construction of a new quay on which will be built Africa's first modern container terminal capable of handling 50,000 containers a year.

The Director of Ports of Zaire's National Transport Office (ONATRA) conducted the seminar members through the installations at Kinshasa and Matadi. With several visiting specialists from the World Bank, they were shown the sites of the next wharf extensions and the future locations of modest container terminals. ONATRA is planning a new deep-water port at Banana, at the mouth of the Zaire River, by 1978. A large container terminal and log park will be situated there and connected to Matadi and Kinshasa by rail and a bridge across the river.

During a tour of the port of Douala, the National Ports Office Director discussed his plans under a World Bank loan to be made in January 1974. The project includes channel deepening and construction of several new berths. Its second phase, in three to five years, will include a new container yard and log park.

The members held seminars on modern port management techniques and equipment in Lagos, Kinshasa, and Douala. Chairman Townsend M. Lucas, of the Port Authority of New York and New Jersey, opened the first session with a presentation on the port of New York. Other speakers were Paul Bender of Drake Sheahan/Stewart Dougall; Richard Van Mell, General American Transportation Corp.; Alf Sorenson, Ellicott Machine Corp.; Peter Richards, Clark Equipment Co.; Michael N. Sanderson, Eaton International; and Clement Burnap, PACECO, a division of Fruehauf Corp.

The sessions were attended by officials and engineers from the three ports authorities as well as representatives of other governmental transport agencies, shipping lines and transit companies, oil companies and other private businessmen. H. Paelinck, director of Kinshasa and Matadi ports, said that "the level of the presentations was pitched exactly right."

The effectiveness of the seminar was pointed out by the members themselves. Sanderson said, "This was the ideal opportunity to present the name of Yale to a new audience and to a new distributor. Even more important, this seminar corresponded exactly with the timing of the new Douala port improvement project." Richards felt it was "vital to have the seminar platform to speak to one level of people and another approach to the higher level."

The other approach was through private meetings which the seminar members were able to set up during receptions and the seminar sessions or which the U.S. Embassies set up for them. The latter included meetings with the Permanent Secretary of the Ministry of Transport of Cameroon, and the Director General of Zaire's ONATRA.

Participant Burnap said, "Due to the efforts of our Embassy in Lagos, I was able to accomplish, in the relatively short time here, com-

TOURING ZAIRE PORTS — *Seminar members were conducted through installations at two locations in Zaire. Photo above, at Matadi.*

plete assessment of all the potential representatives and subcontractors, and also to meet all of the important customer people, both in the ports and the railways." Also in Lagos, Van Mell reported making "excellent contacts within the oil industry, both private and government, as well as in the legal and banking fields." Following meetings with oil companies in Zaire, he said, "The exposure received in the bulk liquids handling area turned out to be more productive than we had originally anticipated." Sorensen said that one of the meetings set up by the Embassy in Lagos for him was right on target and would have taken him "two weeks of bird-dogging" to set up himself.

The best short-term market for the firms on the seminar was Nigeria where one-year sales projections totaled $1,750,000. Smaller one-year sales projections for Zaire and Cameroon were complemented by high potential in the two- to five-year range, especially in dredges, and container and bulk liquids handling equipment. Moreover, Bender found some possibilities for management consultant contracts in Lagos and is working up a systems study proposal for the Cameroon ports.

From Bikinis To Overcoats, E. Europe Likes U.S. Lines

Interest ran across the board, from fine to heavy fabrics and from bikinis to overcoats, one participant observed. The market is comparable to that in Western Europe after World War II, claimed another. A third said that "a flood of officials visited our booth, and they think in terms of 'big orders.'" Still another commented that the USSR seems to be placing more emphasis on consumer clothing than in the past.

Yes, most members of a recent trade mission agreed, opportunities for the U.S. apparel industry to develop commercial relations with the Soviet Union and other East European countries are substantial.

First in consumer goods

The mission, the first in consumer goods from the United States to the USSR, Yugoslavia, Hungary, and Czechoslovakia, was organized by the American Apparel Manufacturers Association and sponsored by the U.S. Department of Commerce. Executives of ten apparel firms, two textile companies, and one machinery manufacturer comprised the group. Stanley Nehmer, Director of Economic Consulting Services for the national accounting firm of Wolf & Co., Washington, D.C., directed the mission and Ellis E. Meredith of the AAMA was co-director.

Mission members also agreed that of the four countries visited, the Soviet Union appeared to be the major market for potential sales. "I never saw such strong interest in American fashion fabrics," one company representative said.

The market in the four countries totals about 300 million people, with some 245 million in the Soviet Union alone, AAMA officials pointed out.

The mission's purpose was primarily exploratory, it's activities centering mainly around licensing and other cooperative ventures. The U.S. executives displayed their samples in Budapest, Prague, and Moscow, and reported considerable interest on the part of officials from government ministries and from trading and manufacturing enterprises. In Moscow, more than 300 attended the mission's two-day show at the fashion salon of the Mosvichka store.

USSR representatives encouraged mission members to make concrete proposals, particularly for cooperative agreements. One such proposal was presented to the Ministry of Light Industry by two of the companies, association officials reported.

In Belgrade, the U.S. businessmen attended the 14th International Clothing Fair. Meredith commented that both Yugoslavia and Hungary appeared to offer solid potential for U.S. firms—particularly in cooperative endeavors producing apparel in those countries for third markets.

Barriers cited

The lack of Most-Favored-Nation treatment in the United States for goods from both Hungary and Czechoslovakia was an issue raised as a barrier to American sales, according to the AAMA report. And in Czechoslovakia, "the limited availability of hard currency and the existence of a well-established apparel industry, which itself is exporting heavily, were cited as additional barriers to developing commercial relations in apparel there."

After tours of the stores in the cities visited, mission participants concluded that in both style and price American apparel compared favorably with local merchandise.

SOVIETS VIEW SAMPLES—*Latest styles and swatches displayed in Moscow by U.S. apparel mission attract commercial officials, purchasing representatives. Individual company activity pictured from upper left, clockwise: Phillips-Van Heusen, Kayser-Roth, Cable Raincoat, Curlee Clothing, Frank F. Shulock & Co.; left center photo, general view of buyers examining clothing.*

Oil Issue Takes Center Stage As Traders Meet

Oil, the lubricant of modern international industrial society, has turned suddenly and swiftly into an abrasive. This new effect dominated almost every session of the recent National Foreign Trade Convention in New York City.

Delegates gave their most prolonged applause to a speaker who sought to re-direct major trade legislation now before Congress from a focus on "access to markets" to one on "access to supplies."

This was Columbia professor Richard N. Gardner, a former Deputy Assistant Secretary of State and member of President Nixon's Commission on International Trade and Investment Policy. In analyzing the Trade Reform bill recently reported out by the House Ways and Means Committee, he said:

"I believe the new trade bill needs to be reviewed from top to bottom with a view to the new situation in which we find ourselves. For example, its statement of purposes should emphasize access to supplies as well as access to markets and its authorization to the President to deny our market to foreign countries which unreasonably do the same to us should be broadened to include the denial of U.S. exports and aid to countries that deny us vitally needed raw materials.

"Let me make it clear that I am not proposing that we retaliate against the Arab oil-producing countries at this time. We should continue to work through quiet diplomacy for a fair Middle East settlement and the termination of the oil embargo.

"But the negotiating position of the Administration would be strengthened by some carefully drawn amendments to the trade bill which put the oil-producing nations and others on notice that they cannot wage economic war upon us with impunity. We and other OECD countries are dependent on the Arab countries for oil, but they are dependent on the U.S. and our OECD partners for food, medicines, industrial machinery and consumer goods.

"The Soviet bloc is not in a position to fill the gap completely if the OECD countries cut off supplies; in any event, countries like Saudi Arabia would think twice about becoming completely dependent on the Communist countries. Thus economic warfare is a game that all can play. Amendments of the trade bill should provide due notice of this fact of life."

Keynoter's view

Convention keynoter Charles B. McCoy, DuPont's board chairman, made a similar point at the outset of the meeting when he said "I do not plan to dwell on the Middle East problem but bring it up only to qualify the rest of my remarks. Until this situation is worked out, future arrangements on trade or other international economic matters will remain tentative and uncertain."

In its public Declaration, the convention declared that the major energy-consuming countries should seek cooperative solutions and avoid destructive competition for available supplies of energy. It added that the rising cost of oil imports makes urgent the task of establishing a revised monetary system so as to "reduce the danger of protectionist responses to international payments pressures."

The annual meeting of U.S. international businessmen, sponsored by the National Foreign Trade Council, touched on another controversial issue when it called for early enactment of the Administration-backed Trade Reform Act of 1973—without a provision added by the House Ways and Means Committee that would tie Most-Favored-Nation tariff treatment for the Soviet Union to the matter of free emigration from the USSR of minority peoples.

Anatoly F. Dobrynin, the Soviet Union's Ambassador to the U.S., insisted that his country must be granted MFN status by the U.S. if two-way trade between the two countries is to continue to grow. He asserted:

"We openly say that we are interested in trade with your country. But with the same frankness we stress that we are not interested in this trade more than the United States. We stand for the development of large scale and long term trade, economic, scientific and technical ties between our countries. We are convinced that their development would be mutually beneficial for the USSR and the USA along purely practical lines and at the same time along the line of making our political relations more stable.

"But there is only one possible basis for the development of Soviet-American relations including the economic sphere: full equality and full non-interference into each other's internal affairs."

The same points were underscored by George S. Schukin, who heads the Soviet Union's Kama River Truck Plant Purchasing Commission in New York. He described major opportunities for U.S. companies at the Kama River plant and in connection with the construction and equipping of another massive new truck producing complex in Siberia.

In his convention address, Commerce Secretary Frederick B. Dent spoke of the rapid development of East-West trade. He commented:

"The continued growth of our trade with the Socialist countries requires that we continue to nor-

malize our commercial relations. In particular, both sides should refrain from imposing new barriers to trade and on a reciprocial basis work to remove present barriers which no longer serve our interests and which deny the American workingman's products a competitive position vis-a-vis his counterparts elsewhere. If the full potentials for expanding trade are to be achieved, we must, at this point, accord non-discriminatory tariff treatment to imports from Socialist countries; and to keep and expand current trade levels we should continue to grant credit for purchases of U.S. goods when commercially warranted.

"In a word, this Administration will continue to press for conditions which will encourage increased East-West trade. The effectiveness of the efforts to date are reflected in the fact that the Soviets expect us to be their number one trading partner this year and we will be number two with the People's Republic of China."

Steven Lazarus, Deputy Assistant Secretary of Commerce for East-West Trade, supported these points as he asked the delegates to continue the momentum from the U.S. side in the field of East-West trade, particularly with reference to trade with the Soviet Union.

Negotiations ahead

Secretary Dent also emphasized the importance of close cooperation by government and industry with regard to the coming multilateral trade negotiations under the General Agreement on Tariffs and Trade (GATT).

He said of these negotiations that they "have important potentials for increasing the access of U.S. products to growing international markets and for making more relevant to our interests the international rules which are likely to govern international commerce over the coming years.

"This makes it essential that government and industry work in close partnership to define U.S. goals and objectives in these negotiations, and to ensure that U.S. points of view are advanced in the negotiations in the most effective manner. This is no small task; it will require the active participation of many business leaders whose time is already spread thin. However, the contacts already made with industrial leaders on this subject convince us that American business will again give its full help in meeting this challenge.

"The mechanisms for effective government-industry consultations are now being developed, and will be functioning very soon. Ambassador Eberle (Special Trade Representative William D. Eberle) and I intend to create a Policy Advisory Committee of about 25 chief executive officers of broad experience.

"We will also be organizing a substantial number of Technical Advisory Committees covering all U.S. industrial sectors, whose members will include representatives from the range of U.S. industries, chosen in close consultation with these industries and their trade associations. These committees will develop and communicate to our trade policy officials and trade negotiators their detailed views on all aspects of the negotiations. They will function both during our preparations for the negotiations and during the actual course of the negotiations."

Ambassador Eberle, who was on the rostrum with Secretary Dent,

MEETING THE PRESS—*Secretary of Commerce Frederick B. Dent answers the questions of the New York broadcast and print media representatives at a conference held in conjunction with the convention. He also spoke at a general session.*

MEETING THE CLIENTS—*Commerce Department trade specialists Art Miyakawa (left) and Manuel A. Abete (right) advise businessmen of export opportunities in private consultations during the NFTC's 60th annual meeting.*

conceded that negotiation efforts have been slowed by the failure of a GATT committee in Geneva to agree on procedures for the negotiations last month and by delay of House floor consideration of the U.S. trade bill.

"The Tokyo Round may have stumbled," Eberle said, "but I don't believe we can say that it has lost its balance and fallen." The chief trade negotiator cited U.S. and European statements following the delay which reaffirmed the firm commitment of both sides to the soonest possible return to the talks. Eberle predicted that specific bargaining on final bids and offers on individual products would still come by next fall.

This "will, however, continue to take great effort and perseverance by us to succeed," Eberle said, but added that "we in the United States have the will and are capable of the necessary patient perseverance."

Keynoter McCoy also had some observations on the trade negotiations. He said:

"It is easy to vote for free trade in principle, but a bit more difficult to deal with the specifics. With the new competitive reality, the U.S. has less to trade away at the negotiating table than it did years ago when the Kennedy Round began. Further reductions in trade barriers ought to carry more of a quid pro quo. Also, they should allow for the fact that various industries, to stay competitive, may have to rearrange their product mix, retrain employees, overhaul technologies, and modernize the old plants or build new ones. A good example is the U.S. textile industry, which is already working hard in all these areas.

"A few words are in order about the international monetary problem. So far businessmen have been able to live quite well with the float and the devalued dollar, and I think most of us can continue to do so; but we have seen mostly the good side. The U.S. export position has turned completely around and 'Buy American' has become a global slogan, as one columnist put it.

"Some other effects of the change, though, are still to be felt in the U.S. The dollar cost of imported raw materials is soaring, and U.S. capital being invested abroad is buying less plant and equipment.

"What is needed for the future from a businessman's standpoint, and what we take to be the objective for the proposals to be presented to the IMF in July of next year, is a system that gives a fair reading of the real output of different nations and the soundness of their governments' economic policies. The system has to react reasonably promptly as nations move up or down in their relative positions. At the same time, the ground rules have to assure fair treatment to different parties entering into long-term contracts. Otherwise the creative aspects of trade and investment will be lost, and international business will turn into little more than a guessing game for speculators. That's a Zero Sum game.

"What is also needed is a more aggressive effort to control inflation. As someone has aptly put it, inflation is a world traveler with an open visa. It is eroding major currencies at about twice the rate of the 1960s, and in this interdependent world, continuing high rates of inflation can make hash out of all plans for improving the international economic system."

Bank, Law Societies Plan Nashville Symposium

An international lending and law symposium will be held in Nashville, Tenn., Nov. 29-30 under the sponsorship of the Commerce Union Bank of Nashville, the American Society of International Law and the Vanderbilt Law School's International Law Society.

Among the speakers at the symposium, which will be held at the King of the Road Motor Inn, will be Jerre Haskew, senior vice president of the Commerce Union Bank; Orville Freeman of Business International; Dr. Lajos Schmidt, Baker & McKenzie; Jack Baranson, Rand Corp.; Dr. Stacey Widdicombe, Inter-American Development Bank, and Theodore H. Moran, Brookings Institution.

The Commerce Union Bank, recently awarded a Presidential "E" for Export Excellence, was inadvertently described as a Memphis bank in the Oct. 29 *Commerce Today.*

Trade Fairs, Centers

Three Commerce Shows Give Export Sales Promise

Commerce Department exhibits in two African and two Latin American nations are open to participation by U.S. firms.

Hotel and restaurant catering equipment: Lesotho and Swaziland. U.S. firms are invited to display their catalogs of products for the hotel and restaurant trade at a catalog exhibition to be mounted by the Department of Commerce in both Lesotho and Swaziland during February.

Two hundred thousand tourists are expected to visit Lesotho by 1976, an increase from 60,000 in 1972. Swaziland's tourist industry is currently increasing at 35 percent annually and 100,000 visitors were expected in 1973. To accommodate these additional visitors, new facilities are under construction and in the planning stages. The varied terrain of these small English-speaking countries permits development of both summer and winter activities. Recent relaxation of import quotas and restrictions has improved conditions for trade with Lesotho and Swaziland.

To participate in this event, U.S. firms need only send six copies of each catalog to be displayed (no products or personnel are required) and a $35 participation contribution.

A representative of the U.S. hotel and catering industry will attend the exhibit to assist business visitors and, together with U.S. Commercial Officers, develop trade leads.

The names and addresses of these trade leads will be mailed to the firm for follow up sales or agency negotiations.

For details call Robert Peterson at 202-967-3973.

Numerical control machine tools: Argentina. The U.S. Department of Commerce is sponsoring a March 25-29 exhibit of numerically-controlled machine tools and related items at the U.S. Trade Center in Buenos Aires. Business visitors from Southern Brazil, Paraguay and Uruguay are also expected to attend this Joint Export Expansion Promotion (JEEP).

Argentina has long been a significant importer of machine tools, with import accounting for half of its total market. The principal source of supply is the United States (accounting for 25 to 33 percent followed by West Germany and Italy. Sales potential for U.S. heavy duty, high precision, nonstandard, production line equipment, such as numerically controlled machine tools, is especially high.

Due to the protection and encouragement of the Argentine Government, the country's domestic tool industry may be the largest and best developed in all of Latin America. This sector, which consisted of some 68 manufacturers in 1970, is limited by the size of its local market, relatively small investment in production facilities and lack of technological expertise in its development of a variety of sophisticated machine tools. The demand for sophisticated equipment is satisfied by imports with the encouragement of the government.

The industrial promotion plan announced in 1973 includes tariff concessions for the import of sophisticated, high efficiency production machines.

JEEPS are special efforts by the Commerce Department to attract new firms into exporting through setting up specific Trade Center shows for new-to-market exhibitors and defraying up to $300 of the cost of overseas promotional activities and up to $100 of the cost of shipping unsold items back to the U.S. or to another JEEP show.

All this is in addition to the regular Trade Center services.

For details, call Vicky Eicher at 202-967-4580.

Audio-visual aids: Mexico. The first official U.S. Government sponsored showing of audio-visual aids in the Mexican market, another Joint Export Expansion Promotion (JEEP), will be held April 22-26 in the U.S. Mexico City Trade Center.

The Mexican gross domestic product grew 7.5 percent in real terms during 1972 as measured by the gross domestic product, and indications are that growth continued strong into 1973. This growth has been reflected in a significant rise in exports from the United States to Mexico, including free zones, which increased at a 40 percent rate during the first six months of this year. This country supplies about 60 percent of all Mexico's imports.

Audio visual training aids have a growing market in Mexico due to the needs of a population of approximately 50 million, growing at a rate of about 3.5 percent annually which is one of the highest rates in the world. The market grows also due to the increasing demands of a labor force engaged in steadily more sophisticated industrial production.

Mexican legislation now requires employers to provide training to their employees. This requirement refers not only to job related skills which are the traditional responsibility of firms, but also to basic education. There is, therefore, an active market for industrial training equipment and much interest in latest techniques.

For details, call Porter Clary at 202-967-5040.

First U.S. Exhibit At Ljubljana Zeroes In On Electronics Market

For the first time, the United States Department of Commerce participated in Yugoslavia's Ljubljana Electronics Fair, October 9-13. The twenty-four American companies which participated exhibited communications and navigation equipment, electronic components, computers and peripherals, and electronic test equipment in the U.S. pavilion. Seventeen of the firms were new to the Yugoslav market.

Off-the-floor sales amounted to $506,600 and projected sales for the next twelve months were estimated at $1.6 million for the new-to-market firms. In addition, two companies projected sales of another $4.7 million for the following three-year period.

The two joint ventures and three licensing agreements, negotiated during the show for the next twelve months, were expected to amount to more than $4 million in forseeable business. Eleven U.S. companies were seeking representatives, and while six agents were appointed during the show, an additional fifteen agreements are under negotiation.

FIRST U.S. EFFORT—*The first official U.S. participation in the Ljubljana Electronics Fair is expected to yield more than $6 million in total sales during the next two years. Here, visitors inspect equipment at the Dage Corp. booth.*

Topped expectations

Mr. H. Ferris, Export Coordinator for the new-to-market firm, Permacel, commented: "Best organized show (U.S. Pavilion) ever seen in seven years on the circuit!"

Both old and new to market exhibitors praised the quality of visitors. Many found that their accomplishments went far beyond their anticipations. Robert B. Sidell, Jr., International Sales Manager for the new-to-market Varo Semiconductor, Inc., said "I am very pleased with the results the exhibition has produced for my company. The acceptance and response of the end-user was more than I could have anticipated." Mrs. Blanche A. George, Vice President of Coil Winding Equipment Co., Inc., commented: "An extremely fine exhibition and, we believe, very effective. It was very well organized. This show for us was perhaps the best we have participated in for several years."

U.S. Firms Can Exhibit At Four Upcoming Events

Four upcoming trade events invite exhibits by U.S. firms.

Pommec Expo 74, a fruit machinery exhibition, has been announced by the Cape Pomological Assn. of South Africa. The fair will be held the week of May 27 at the Cape Showgrounds. Foreign firms may exhibit in the show, which will feature machinery and equipment in the areas of crop protection, irrigation, mechanical handling, packaging, refrigeration, wine processing, and fruit processing. For information, contact P. Hilyard, Embassy of South Africa, Washington, D.C. 20008, (202-232-4400).

SPORTEXPO, April 3-7, Bordeaux. American manufacturer and suppliers of stadium and stadium equipment, sports halls for indoor athletics and team sports, swimming pools and related equipment, heating and lighting equipment for stadiums and gymnasiums, camp site equipment, golf course and tennis court equipment will have a special opportunity to reach buyers from French and foreign organizations at this exhibit. SPORTOEXPO will be held in conjunction with the International Working Group for the Construction of Sports Premises. Further information can be obtained from Foire International de Bordeaux, Parc des Expositions, B. P. 55 Grand-Parc, 33030 Bordeaux Cedex.

An **Argentine Garment Industry Fair** has been announced for August 2-18, at Buenos Aires. This fair, entitled "The First International Garment Industry Fair" (FIDI '74) is planned as the first of such fairs to be held every two years. Parties wishing more information may write to: Feria International de la Indumentaria, Cordoba 859, ler piso, Buenos Aires, Argentina.

Second International Fair of of Mining, Ore Deposits, and Quarries Machinery, Gijon, Spain, August 7-18: The organizers of this fair are especially interested in having participation by U.S. firms. Three-hundred-and-twenty exhibitors participated in the previous version of this Fair held in 1967, of which 26 were from the United States and 148 from other countries outside Spain. The application deadline for participation is March 1. Contact: Camera Official de Comercio, Industria y Navegacion, Instituto 17, Gijon (Asturias), Spain.

Worldwide Business Outlook

Dynamic Trade Showing Keys New Korean Boom

The high-growth Korean economy is in the midst of a fullfledged boom, bordering on overheating. The boom is the result of unprecedentedly high export demand plus the stimulatory effects of the government's economic reforms last year. Growth in real gross national product, which fell to only 7 percent in 1972, may be as high as 17 percent in 1973, according to the U.S. Embassy in Seoul.

The export sector has responded well to the stimulus of simultaneous boom conditions in Korea's two major markets, the United States and Japan, and the currency changes of early 1973. In the first half of 1973, Korean exports increased by 101 percent over first half of 1972 to $1,334 million. Among Korea's established exports, the greatest increases were registered by yarn and fabric, up 160 percent; electronic components, up 134 percent; steel sheet and plate, up 104 percent; plywood, up 85 percent; footwear, up 71 percent; and clothing, up 58 percent.

Now becoming important

In addition, several relatively new Korean exports became important in the first six months of 1973. Among these were: TV sets, toys, ceramic tile, stainless steel flatware, office machines and bicycles.

Exports to the United States rose by 56 percent to $502 million, while exports to Japan, Korea's other major market, rose 186 percent to $454 million.

After little change in 1972, Korean imports in the first half increased by 62.5 percent over the first half of 1972 to $1,900.5 million. Imports from the United States totaled $575.7 million, an increase of 78 percent. This performance raised the U.S. share of the Korean import market from 27.7 percent in the first six months of 1972 to 30.3 percent in 1973.

With sales of $731.8 million to Korea the Japanese market share remained roughly the same, at 38 percent, while imports from other sources increased less rapidly.

Price increases played an important but unknown role in the total import expansion.

Foreign trade activity is expected to continue strong throughout the remainder of the year. Calculating on the basis of the average ratio of first half to whole-year exports for the past five years, the Embassy estimates that exports for 1973 will amount to about $3.1 billion, or an increase of 86 percent over 1972. On the same basis imports are projected at roughly $3.8 billion, or a gain of 70 percent, for the year as a whole. Imports from the United States should thus exceed $1 billion for the first time.

A three-fold expansion of tourist travel to Korea, mostly from Japan, helped reduce slightly the net goods and services deficit in the first half balance of payments, compared to the first half of 1972, despite a widening of the merchandise trade deficit. For the year as a whole the Embassy estimates a net goods and services deficit of approximately $565 million, 4 percent larger than the 1972 deficit, but still well below the much larger deficits of 1970 and 1971.

Led by exports

Led by the export boom, real GNP rose by an estimated 19.2 percent in the first half of 1973. Manufacturing output rose by 31 percent and gross investment by 38 percent. While the rate of GNP growth on a year-earlier basis will decline somewhat in the second half, due to the upswing in the latter part of 1972, Korean economists are estimating a 15-17 percent increase for the year as a whole in real terms, or 22-25 percent growth in current prices.

The current export and investment booms are expected to con-

BIG KOREAN INDUSTRY—*The rapidly growing demand for Korean-made wigs has touched off expansion of production; 90 percent of wig exports go to the U.S.*

tinue and a bumper rice crop is in prospect. (Mainly due to crop differences, second half GNP typically accounts for 60 percent of annual GNP.) Thus the 1973 growth rate is likely to exceed the previous high rate of 15 percent achieved in 1969. Most Korean economists also feel that the average real growth rate of 11-12 percent for 1972-73 is likely to continue in 1974.

One by-product of the new industrial development strategy has been a slight cooling of the investment climate. Although desirous of attracting large-scale foreign investments and still providing numerous incentives, the government has adopted a more restrictive policy. Joint ventures are to be favored and majority foreign ownership in new investments discouraged.

Majority interests will still be permitted in some exceptional cases. Indeed, a general exception was announced for electronics ventures after a number of prospective foreign investors turned elsewhere. The new attitude is based on the government's desire to ensure adequate capital participation in new projects by domestic entrepreneurs.

Funds are coming faster

The new attitude has not detracted from overall ability to attract funds. In the first eight months of 1973, direct foreign investment approvals amounted to $206.4 million, or twice as much as in the same period of 1972. Japan accounted for 95 percent of the 1973 total, placing it ahead of the United States as the largest cumulative investor (on an approval basis).

Rapid industrial growth in Korea creates many new opportunities for the supply of U.S. goods, capital and services. Increased U.S. competitiveness due to currency changes is already evident. U.S. dominance of foreign equity investment in Korea is past, however. The prospective entry of Japanese capital into oil refining in Korea, formerly dominated by joint ventures with U.S. firms, is an example of this change.

Likewise, the suspension or phasing down of PL 480 financing of about one-third of Korea's grain and raw fiber imports may be followed by increased trade with other countries producing wheat or cotton. Emphasis on heavy industry may also mean increasing penetration into industrial product markets in the United States, as well as continuing strong competition in light consumer goods.

There was a substantial increase (77.8 percent) in arrivals of U.S. products in Korea during the first half of 1973. The U.S. market share rose from 27.7 percent to 30.3 percent. Within this total, commercially-financed arrivals (from Korean-earned foreign exchange, private loans and direct investment) of U.S. goods more than doubled, rising to $366 million. The increase, however, included a large aircraft sale and the effects of price increases.

Korea is expected to continue to be a good market for American firms willing to make local selling efforts. As an offset to growing Japanese economic ties, close cooperation with the United States can be expected. In May the Deputy Prime Minister led a Korean trade and investment mission to the United States to promote interest in heavy and chemical industry development. An electronic mission visited the United States soon thereafter and a U.S. machinery group visited Korea.

In July, U.S. Secretary of Commerce Dent came to Korea for the Fifth Korea-U.S. Commerce Ministers Meeting. A Korean purchasing mission which visited the U.S. in September entered into contract negotiations for over $300 million worth of non-agricultural U.S. goods. This government-sponsored mission followed a private grain procurement mission which contracted for $316 million in agricultural products.

In addition there were several visits by promoters of Korean shipbuilding projects. The two large-scale yards to be built need shipyard equipment — cranes, presses, cutting and welding machinery, transporters — now, and will have later requirements for shipboard components. The U.S. Department of Commerce is planning a Shipboard Engineering Equipment Trade Mission to Korea next April, and marine navigational communication instrumentation and safety equipment will be featured at the opening exhibit of the new U.S. Trade Center in Seoul in March 1974.

Other good opportunities

There are several other good opportunities for electronic production and testing equipment, textile machinery and process industry (cement, oil refining, petrochemical) equipment, in addition to the raw materials which have been major U.S. exports to Korea in the past.

A key influence on the good prospects for increased U.S. sales to Korea has been a sharp increase in the use of U.S. Export-Import Bank credits to support U.S. exports to Korea. Since June 30, 1972 (mostly in 1973) over $210 million of Export-Import Bank supported credits have been authorized. In addition, preliminary commitments of nearly the same magnitude have been requested.

These funds will help procure U.S. goods and services to be used in a large shipyard, Kimpo Airport expansion, two cement plant expansions, a synthetic fiber plant, a tire factory and a dredge building project. In addition, the recently established, permanent U.S.-Korea Economic Council, of which the U.S. co-chairman is Gulf Oil Corp. Board Chairman Robert Dorsey, serves as another means for U.S. businessmen to become better acquainted with Korea.

U.S. Exporters In Best Position Ever To Sell Their Goods In Netherlands

Total U.S. exports to the Netherlands through July are up an amazing 58 percent, almost matching total sales for all of 1972, and 1974 is expected to be another good year.

These rising sales are going to an economy that has been only moderately buoyant in 1973, reports the U.S. Embassy in The Hague, with real GNP up 5 percent, private investment up 8 percent, private consumption up 4 percent and the volume of exports up 14 percent. At the same time, however, the wage bill per worker is expected to rise by 14 percent over the year and retail prices by 8 percent. Unemployment has remained relatively high due to continued improvement in productivity.

Outlook for 1974

The outlook for 1974 is continuing growth, amounting to some 4.5 percent in both industrial production and GNP. This is expected to result from increased private demand, a rise in government investment, and a moderately lower increase in exports and business investments. This estimate is based, however, on the government's ability to curtail somewhat the increases in wage costs and prices. If control measures are unsuccessful, it is now estimated that GNP might grow only 3.5 percent while exports and all investments would grow at lower rates.

The new, socialist-oriented government took its first major economic policy steps at the opening of Parliament in September. Inflation of wages and prices and the highest unemployment in 15 years presented a dilemma.

The government announced a program designed to curtail inflation in both wages and prices and to relieve unemployment moderately. This was based first in immediate revaluation of the guilder by 5 percent in order to reduce import prices and pressure on wages and thereby to encourage investment. An employment support program was built into the budget. Parallel to these steps were the announced political objectives of more equitable distribution of income, protection of the environment, and active labor participation in management of industry.

To back up this program, increased taxes were announced on new cars, auto fuels, real property, capital and inheritances. Income tax measures and wage goals were presented which, when analyzed, appear to have the effect of raising real expendable income at the lowest income levels by several percent but decreasing real income in the highest brackets.

The proposed selective investment levy was altered to include a licensing requirement for the main purpose of environmental protection in the crowded west, but investment in general was encouraged by an added building cost tax deduction for a two-year period.

There is, of course, rising concern about the impact of crude oil shortages in the vast Netherlands-based petroleum refinery industry which has an installed crude run capacity of about 1.6 million barrels per day and serves much of northwest Europe. Prolonged and severe cut-backs could hold down not only refinery output but also production in the many large Dutch industries using petroleum products for fuel or feedstocks. Even the threat of shortages, however, has stimulated exploration for oil and gas in the Dutch North Sea where there is a heavy input of American equipment and services.

The outlook for American exports to the Netherlands is excellent. Not only are sales of our three most important exports to this market, grain, oilseeds and aircraft, at record levels, but exports of a multitude of industrial and consumer goods which had heretofore not been very competitive are now expanding rapidly.

While much of this surge in exports is due to very high prices for U.S. agricultural products and exceptional orders for U.S. jet passenger planes, an important contributing factor is the increasingly favorable dollar/guilder exchange rate. As a result of the 5 percent revaluation of the guilder and previous exchange rate adjustments, the guilder's value compared to the dollar has risen 42 percent in the last two years. In 1973 alone the guilder rose almost 30 percent in relative value. What this means is that a Dutchman now pays much less for a U.S. product than he would have two years ago, the dollar price being equal.

Sizable U.S. improvement

At the same time the price competitiveness of U.S. products has been increasing, since many foreign competitors in the Dutch market are being forced by strong inflationary pressures at home to raise the prices on their goods. All this is occurring against the backdrop of an expanding Dutch economy. The net result is a growing interest by Dutch importers in an ever-expanding range of U.S. industrial products. If present trends continue, the U.S. share of total Dutch imports in 1973 should be over 11 percent, a sizable improvement from 1972 when it declined to 8 percent.

With Dutch capital investment up from last year and U.S. export prices at bargain levels, a large number of U.S. industrial products, both of high and low technology, are now extremely attractive to Dutch buyers. Of particular interest are electronic data pro-

IMPORT AND EXPORT TRADE AT ROTTERDAM—*U.S. sales to the Netherlands through July were up by 58 percent and the outlook for 1974 is for further expansion.*

cessing equipment, offshore drilling equipment, advanced medical instruments, industrial and commercial security equipment, and environmental control instrumentation and equipment.

Lines of most interest

In general American industry will find the following product lines of most interest for export promotion:

- Electronic data processing equipment, including digital and analog computers, peripheral items and software packages.
- Environmental control instrumentation and equipment.
- Specialized medical instruments and equipment.
- Commercial and industrial security equipment.
- Offshore drilling material.
- Machinery and raw materials for the chemical and metallurgical industries.
- Transportation equipment, including automobiles, motorcycles and engines.
- Agricultural and construction equipment.
- Electric household appliances.
- Food processing and packaging equipment.
- Hand tools, both regular and power.
- Electronic components, including electronic test and handling equipment.
- Sports and recreational equipment.

With Dutch wage rates expected to increase more than 8 percent next year, demand for U.S. labor-saving equipment and systems should continue to be strong. This would include food processing equipment, materials handling equipment, and building systems of all kinds.

Another very significant development this year has been the sharp rise in the import of U.S. consumer goods to the Netherlands. Sales of U.S. household electrical appliances are increasing rapidly and the outlook for motor vehicles, both new and used, is very promising. Sales of U.S. pleasure boats are up as are hand tools, cooking utensils, and sports and recreational equipment. The whole breadth of U.S. consumer goods is now of potential interest to Dutch importers, and exporters of such products are urged to exploit present price advantages to enter the Dutch market.

Air, noise, water and solid waste pollution are an ever-growing national concern, and emerging government restrictions in this area will soon provide an excellent market for U.S. environmental control technology and equipment. Machinery for recycling wastes, purifying water and filtering gases would be of special interest.

In sum, the U.S. exporter has never been in a better position to sell his products in Holland. The U.S. price is right, the Dutch economy is growing and the Dutch importer is eager to find new U.S. products to sell.

The Netherlands provides a growing market for U.S. agricultural exports. In 1972-73 our agricultural exports to the Dutch rose to a record high of $972 million c.i.f. (including trans-shipments to other countries). This compares with $616 million for 1972-72. Much of this increase was due to higher prices. During January through June 1973 the volume of U.S. agricultural shipments to the Netherlands was 33 percent greater than for the same period of the preceding year.

Major Dutch imports

Major Dutch imports from the United States are grains, oilseeds, oilseed meals, and derivative feeds. Larger imports of feed ingredients were promoted by generous EC support of the dairy industry and continued strong world demand in FY 1973 for red meats and poultry products. The dollar devaluations in recent years have also had their influence for commodities not covered by the EC variable levy system.

The stimulating effect of recent currency changes will continue to be realized during the remainder of the current year and in 1974. On the other hand, high levels of EC grain production will be an important factor adversely affecting U.S. agricultural exports to the Netherlands. Both feed grains and wheat sales will be affected.

U.S. sales of soybeans and soybean cake and meal in the Dutch market could be injured in the years ahead should the EC implement a common agricultural policy for soybeans.

Figures just released by the Department of Commerce show that new direct U.S. investment in the Netherlands totaled $282 million in 1972, compared with $170 million in 1971. Of the $282 million, most came from reinvested earnings.

A total of $194 million was invested in the petroleum sector and $146 in the manufacturing sector, while other industries saw a net disinvestment of $58 million.

Higher investment cost

There are no reliable figures yet on U.S. net direct investment in the Netherlands for 1973 but the factors which clouded the investment picture early in the year remain. Since its devaluation by 10 percent in February, the dollar has continued to decline in value compared to the guilder and now is worth some 25 percent less than at the beginning of the year. Thus the cost of new dollar investment has increased substantially, while at the same time Dutch wage rates and prices continue to rise unabated.

Corporate income taxes are expected to be increased and the Selective Investment bill, which will levy taxes on all new investment in parts of the west of Holland, seems close to approval in Parliament, further discouraging new investment in the most desirable location in the Netherlands, the area between Rotterdam, Amsterdam and Utrecht.

Interest by Dutch industry in investing in the United States is growing rapidly. Several large Dutch firms have announced in recent months that they made sizable investments in the United States and an Invest in USA Conference in Rotterdam, sponsored in part by the American Embassy, drew 32 eager Dutch firms.

Current Belgian Economic Upswing Likely To Continue For Some Time

The upswing of the Belgian economy that began in late 1972 has accelerated in 1973. Economic experts in Brussels now predict an annual growth rate in real terms of about 6 percent for this year.

If attained, reports the U.S. Embassy there, this will match the satisfying growth rate for 1969 and would again be mainly attributable to a jump in exports (up 21 percent over last year). Also greater this year are private domestic business investment (up 17 percent) and public sector consumption (up 21 percent).

Imports of capital goods have risen faster than other types of imports and utilization of total productive capacity is now almost 86 percent. That figure too is fast moving toward the record level of 88 percent set in 1969.

Most experts agree that against this favorable background and with production running 7.5 percent higher than last year, growth and prosperity can be expected for at least the next six to nine months.

There are only two negative factors in the Belgian economy which bear special attention: unemployment and inflation. Unemployment this past summer showed a steady but slow rise with 85,300 unemployed registered for work at the end of August (up 8 percent over August last year). Most of the increase in unemployed was among young people who had just left school and joined the labor force.

Such a rise in unemployed might have been less ominous if, simultaneously, the number of job openings had not also risen at an even more rapid rate. Belgian labor experts have concluded that many young people finishing their education are not qualified and/or not interested in the type of work which the country's healthy and growing economy is providing. Many Belgians are concerned over the social problems that could result from continuation of such an imbalance.

As for Belgium's other major problem, inflation, even though the rate—now running at almost 7 percent per year—is one of the lowest in Europe, it is still a matter of greater concern to Belgian policy-makers. This concern is understandable when it is recalled that in the 1950's and 1960's Belgium's average inflation rate was a remarkably low 2.7 percent. During the summer, therefore, the Belgian Government took several additional anti-inflationary actions.

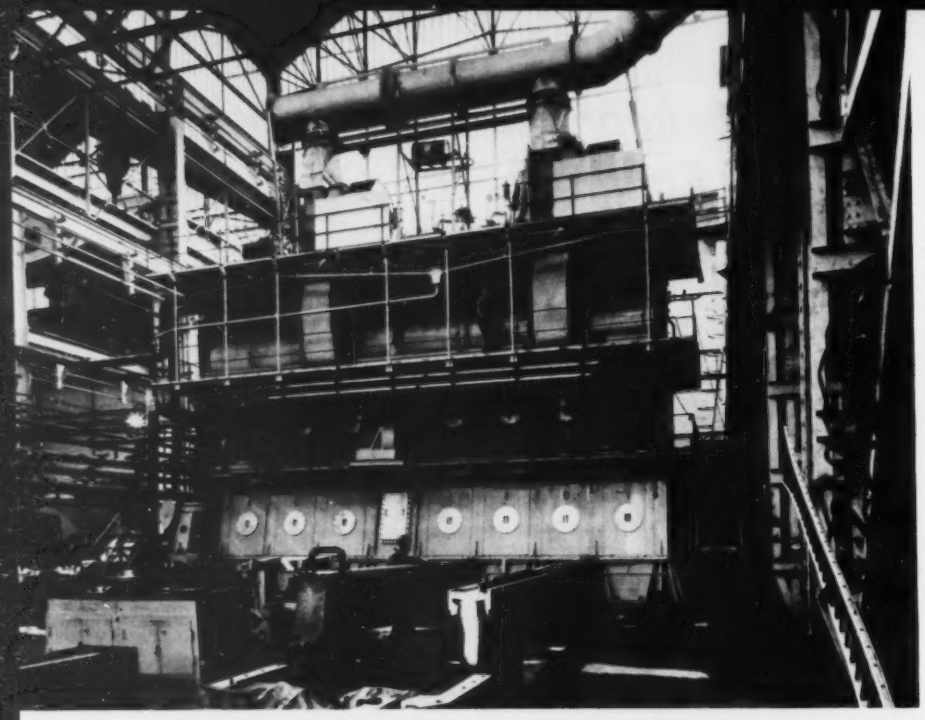
Subsidies to domestic investors were reduced, price control rules were maintained and consumer credit was restricted. The Government set even higher reserve requirements for banks and insurance companies and the Central Bank rate was raised to 6.5 percent.

More anti-inflation steps

Most observers feel more governmental anti-inflation steps are likely, since wholesale and industrial price indices are continuing to rise even faster than in the past. Raw materials prices are almost 23 percent higher than last year and wholesale food prices are up 14 percent over last year. Substantial rises in the consumer price index can be expected, therefore, in late 1973 and early 1974.

The government's budget for 1974 will probably add to the inflation (although less than it did in 1973) since it calls for expenditures at least 12 percent above this year's, with revenue expected to remain about the same as in 1973. The annual wage rate increases continue to be about 15 percent and thus also will contribute substantially to inflation problems.

Although a small country, Belgium alone accounted for 4.1 per-



IN THE PROVINCE OF LIEGE—*The Cockerill-Ougree engineering shops, above, produce marine diesel engines. Output in this sector of Belgian industry is on the rise.*

cent of all world trade in 1972 and ranked as the world's tenth largest trader. Because about half of Belgium's production is sold abroad and about half of its consumption is bought abroad, export demand is the engine which drives the economy and the import level is a simple indicator of the health of the domestic economy.

Both are booming

At present, both imports and exports are booming. Based on the figures of January through June, Belgian imports have risen slightly more than 21 percent this year over last and exports have risen slightly less than 21 percent. Exports to the United States, up 30 percent from last year, are growing even faster; so are Belgian imports from the United States—26 percent.

It would appear from these figures that some American goods, which until the dollar devaluation last February were not always price competitive with European and Japanese goods, now are. As Belgian demand rises with continued prosperity over the next six months, lower American prices, the result of last winter and spring's devaluations, should prove more attractive to Belgian importers.

American exporters of all types of goods should be re-examining past decisions on whether to try to sell to Belgium and they will find that prices of competing European and Japanese goods have risen steeply compared to prices of U.S. goods. Good quality American goods, even if slightly higher in price, can successfully compete if good after-sales service is provided, fast delivery is insured, and products are adapted slightly to meet European tastes and standards. Sales and technical literature in both French and Dutch (Flemish) would also be useful.

Goods are selling well

Data available in Brussels suggests that many American consumer goods are selling well in Belgium. Among these are men's and boy's outergarments, some organic pharmaceuticals and some hand tools.

More technical exports have an even greater potential. For example, many items in the printing and graphic arts field show real promise. In particular, tape-driven photocomposition machines, film processors, quality-control devices and anti-pollution systems all show great potential for expansion.

In terms of more advanced technology, excellent sales potential appears to exist for American software (computer) programs which involve performance prediction, outflow techniques or which are industry/market oriented packages.

Less U.S. investment

Although reports are still fragmentary, direct investment by U.S. firms in Belgium seems to be declining after having leveled off a few years ago. Most of the American firms that had definitely decided to invest in Belgium before the last devaluation of the dollar have gone ahead with their plans, but many of those which were still at an earlier stage at the time of devaluation have suspended their investment programs.

Indeed, a few Belgian branches of U.S. firms which were originally established to supply U.S. home offices with lower cost goods from Europe now find themselves in the unaccustomed role of buying in the United States for their European subsidiaries! A few other American investors have found that products made in European factories are now more expensive than exports from plants in the United States. The Belgian factory of one such company recently closed.

American tourists visited Belgium in unprecedented numbers last summer but expressed shock at prices in Europe. It seems certain that this reaction will have an effect on either the number of American tourists or the amount of money spent by them in Belgium next season.

Belgians, on the other hand, are applying for visas to the United States in unprecedented numbers. The number of business and visitor visas issued in Brussels in the first six months of the year is 21 percent above last year.

Nicaraguan Economy, U.S. Prospects Bounce Back With Unexpected Vigor

In spite of a catastrophic earthquake, a major drought and continuing lethargy in the structure of the Central American Common Market, the word in Nicaragua for U.S. investors and exporters is "opportunity." Although stunned by a series of natural disasters and Common Market problems, the Nicaraguan economy, and thus U.S. export possibilities, have bounced back with unexpected vigor. Our export opportunities in Nicaragua are better than ever, not just for the next several months, but probably for the next several years, according to Wendell L. Belew, Commercial Attache at the U.S. Embassy in Managua.

Sharp changes in the international monetary scene, combined with the surprising resilience of the Nicaraguan economy, have together created an almost totally new market. A year ago, even the most superficial "market study"—a walk through any retail store—told a sad story. American products were slowly being priced out of the market. More detailed surveys of wholesalers, retailers and end-users produced only more of the same.

Changing picture

Today the picture has changed. Where U.S. sales representatives once didn't bother to bid for new business because of price disadvantages, they now find Nicaraguans seeking them out. Where Nicaraguan businessmen looked only to Japan and Europe for many products, they are once again looking first to the United States. Where U.S. firms previously argued quality while their competitors were talking price, we are now in a position to do both. A recent Embassy survey of local retailers revealed that 61 percent have already increased their imports from the United States due to changes in exchange rates and 93 percent plan to buy more American products. In short, we are competitive.

The market we are selling in has also changed, even more drastically than world monetary conditions. Surprisingly, the change has been due to Nicaragua's efforts to recover from disaster. Last year's drought, the worst in local memory, threatened to wipe out the major export crops and did do serious damage to important grain crops. Luckily, a few well-timed rains toward the end of the growing season saved the money crops and left the economy in much better shape than anyone expected. Since the drought was followed by the most destructive earthquake in Nicaraguan history, which radically increased the need for foreign exchange and investment capital, those last rains were particularly helpful.

Largest single element

The largest single element in shaping today's Nicaraguan economy was, of course, the Dec. 23 earthquake. Unlike the drought, which was merely costly, the quake was a genuine disaster. In addition to the approximately 10,000 lives lost in the first minutes, something like 10 to 15 percent of local industry was destroyed, an estimated 50,000 homes were either destroyed or seriously damaged, and practically the entire commercial sector was wiped out.

Assigning a value to the public and private property destroyed is practically impossible and "guesstimates" have ranged from a conservative low of some $350 million to a high of as much as $1 billion. Whatever the real figure, efforts to repair the damage, replace lost goods and rebuild the city will be going on for at least five years and will necessarily involve vast private and public expenditures.

There is no question that Nicaragua's needs are higher now than at any time in the past. However, since a felt need is very different from effective demand, it is fair to ask whether Nicaragua can in fact pay for what it wants. Belew believes the answer is yes. Reserves are at an all-time high. Last year's export crops and prices were excellent and the prospects for an even better year in 1974 are very good.

Earthquake-related returns

Earthquake-related returns from foreign reinsurance companies already total something like $50 million and should climb further during the year. The Government of Nicaragua has contracted some $100 million in foreign commercial loans to finance development and reconstruction and, finally, most local observers are confident of continuing support from the United States and international lending agencies.

Specific information on the reconstruction process is still unavailable. A conceptual plan, which provides at least the fundamental outlines for a more detailed reconstruction plan, has been prepared by an entity of the Mexican Government and was recently made public. Once this plan is adopted, modified as necessary to suit local needs and then translated into an action document by incorporating specific zoning regulations, etc., the formal reconstruction period will begin.

Not all Nicaraguans have been waiting for the plan. Even while the Government of Nicaragua was still fully occupied with its efforts to bring the emergency situation under control, the private sector was making plans to go back into business. Not "business as usual," perhaps, but business nevertheless. As a result of this dynamic attitude, the construction industry is busier now than at any time last year. Industry reports that its sales, both internal and to the export market, are running at, or

slightly above, last year's, and the commercial sector is rebuilding inventories and opening new shops all over town. Talks with businessmen reveal some concern for the obvious problems encountered in rebuilding a destroyed city, but also revealed is a sense of movement and optimism.

Trade on the rise

Comparing the first six months of 1973 with the same period in 1972, exports have grown 19.2 percent from $141.6 to $168.8 million, while imports expanded from $93.3 to $108.8 million, or a rise of 16.6 percent.

Net foreign exchange reserves reached a seasonal high of $155.4 million at the end of May and were still at $126.4 million by June 30, up from only $68.5 million last year.

Direct information on internal economic activity is not available. Total government revenue, which reflects a number of direct and indirect taxes, is up strongly—39 percent—for the first six months of 1973.

Also, current central government expenditures have grown slightly, from 248.8 million cordobas to 252.4 million (7 cordobas to 1 dollar) and, while actual capital expenditures for the first half are understandably down somewhat from last year, money has been allocated to a number of reconstruction projects and will be spent during the second half. Belew expects total expenditures for the year to be up substantially.

Earlier fears proved false

In summary, the few numbers available tend to reinforce what was already known—earlier fears of economic collapse have been proven false. On the contrary, import and sales tax data indicate that commerce is doing much better than expected. Commercial inventories have been partially reestablished and will probably continue to build in all categories for the next several months. Agricultural exports are extremely strong and the industrial sector is doing well, if not as well as construction. Finally, wage earners have seen their incomes increased by law and by normal market action.

In spite of all that has happened, 1973 is turning out to be a good year. Next year should be even better.

For its part, the Government of Nicaragua is going ahead with procurement for a series of projects financed by development loans arranged before the disaster. In addition, several emergency and reconstruction loans have been, or are being, planned or concluded. Of course, the government will also be spending a great deal of its own money, either directly for imported products and services, or on internal procurement which will work its way through the economy and ultimately lead to increased imports. In both cases, alert U.S. suppliers should get their fair share of the market.

More interesting projects

The larger, and to U.S. exporters more interesting, loan-financed projects lie in the future. Undisbursed funds from existing loans total something like U.S. $185 million, although this estimate is necessarily only approximate. Of this sum, about $20 million is tied to non-U.S. procurement and a still larger, but indeterminate, amount will be spent within Nicaragua.

Only two loans involve large projects which will require substantial packages of imported products. These are the $11 million Port Corinto expansion project and a $6.5 million Managua water supply program. Qualification documents have already been requested for both.

Several other sizable credits exist. However, they tend to be either very recent emergency reconstruction loans which will be disbursed among a variety of official agencies

NICARAGUA PREPARES TO REBUILD—*A U.S. Seminar Team that visited Nicaragua recently inspects earthquake damage in Managua. Efforts to rebuild the city from the Dec. 23 catastrophe will generate expanded business opportunities.*

for repairs and some equipment replacement, or relending funds in which the actual purchases will be made by a relatively large number of private individuals.

In the first category are three loans totalling $51.7 million. AID has a $15 million program loan which is being used primarily to finance local demolition, clean-up and repairs. In addition, the International Development Agency (IDA) of the World Bank signed a $20 million loan in May of this year. The IDA funds will be divided among the water and power utilities, the Housing Bank, the National Development Bank and the Ministry of Education. Another loan for $16.7 million from the Inter-American Development Bank was signed in April and will go to Nicaragua's National Bank, the Central Bank and to the two universities. This loan and the IDA project loan mentioned above involve both repair funds and a large relending component.

Housing will necessarily be a priority for the Government of Nicaragua. The houses will be built largely with local materials, but there will be many opportunities for U.S. suppliers.

The market in commercial construction will be very similar to that in housing. Where speed is a particularly important factor, imported pre-fabs may be used. In most cases, our best market will be in building supplies and materials, hand and power tools and construction equipment.

As in the case of housing, where new homes also mean new appliances, TVs, etc., new commercial buildings and office space will open the market for business machines and office equipment.

Opening the market

Several other trade opportunities with excellent prospects come to mind once we realize that a whole new city is being built. One small but lucrative market will be found in the services demanded in the dispersed city. In the old city, all the movie theaters were downtown. One theater has already reopened and another will open shortly. Several more should be built in the relatively near future, and most of them will require completely new equipment.

The short-order food business offers many opportunities to U.S. equipment manufacturers and franchise operations.

One new private hospital of about 100 beds is in the early planning stage right now and another possibly larger hospital will probably also be built. Both installations will need a variety of equipment and supplies.

Another new private project is a proposed hotel which is supposed to be built near the International Airport early next year. As in the case of the private hospitals, a complete line of new equipment will be required. Other new hotels and motels will almost certainly be built and they will also be shopping for equipment.

Fair share for U.S.

New trucks and especially new buses will be required. Although British trucks and Japanese buses have, until recently, had an overwhelming price advantage, the recent U.S. devaluation has worked its effects. Added to our existing advantages in quality and the quick availability of spares, aggressive salesmanship and a sharp pencil in quoting price should return a fair share of this market to American companies. Lights and other traffic controls should also find a market.

Beginning sometime next year, official investments in water and sewage will create a respectable market for small treatment plants. These investments, plus road building, establishment of new industrial parks, and probably financial and fiscal incentives for private investment in the secondary cities, will, it is hoped, stimulate new trade, investment and population growth in those outlying areas.

While the major interest and first priority of the Government of Nicaragua will naturally be in the city of Managua, and to a lesser degree the surrounding towns, substantial public and private investment in agriculture can be expected.

Highly receptive buyers

Nicaragua's efforts to increase the efficiency and productivity of small farmers, and to make life on the farm more attractive, should create some new markets, but large commercial farmers will continue to be the primary market for U.S. agricultural equipment and supplies. Last year's very good cotton crop, excellent prospects for another good crop this year, plus continuing high world fibre prices, have combined to produce highly receptive equipment buyers.

All types of irrigation equipment —pumps, pipes, spray heads, connectors and drilling machinery— will continue to find a ready market.

Livestock, both cattle and hogs, offer sales opportunities for purebred breeding stock, feeding and handling equipment and veterinary equipment and supplies.

An investment decision in Nicaragua is a purely economic decision in almost every field. The consensus among government officials, the public and the major political parties is strongly in favor of a free enterprise system. This attitude, combined with a relatively secure local business community which does not feel threatened by foreign companies, has largely eliminated political factors from investment calculations.

Nicaragua has earned a high rating from the Overseas Private Investment Corporation and political risk insurance is easily available. Foreign investment, whether by private individual or multinational companies, joint venture or wholly-owned, has been and should continue to be welcome.

Inflation, Labor Shortages Constrain Swiss Economy

Switzerland's most pressing economic problem, both this year and next, is inflation.

As of September, the annual rate of consumer price increase was 8.3 percent, while wholesale prices were up 11.3 percent. This is considered to be a phenomenal rate of inflation for a country which has always been a haven of monetary stability, notes the U.S. Embassy in Bern.

During 1972, the principal force pushing prices upward was the high level of domestic demand, coupled with Switzerland's limited ability to expand production. By mid-1973, however, the government's tight credit policies had begun to dampen consumer demand, particularly for consumer durables. Nevertheless, the skyrocketing cost of imports and high foreign demand for Swiss products have kept domestic prices moving even higher.

Inflation predictions

A government economist has optimistically predicted a decline in the rate of inflation to around 5.0 percent by the end of 1974. More realistically, the Union Bank of Switzerland expects the average rate of domestic price increases will continue to be 8-9 percent next year.

The shortage of labor continues to be the major constraint on the expansion of domestic production and contributes significantly to the Swiss inflationary problem. With an effective unemployment rate of zero, wage demands exceeding productivity gains will undoubtedly be met by Swiss employers. Wages are expected to increase 10-12 percent this year, adding to both costs and demand. The government's efforts to stabilize the number of foreign workers in Switzerland, which account for about one-third of the total work force, will probably ensure that labor shortages remain a chronic feature of the Swiss economy.

Despite inflation, tight credit, labor shortages and the appreciation of the franc, some parts of the Swiss economy are doing remarkably well. The shift of demand pressures to the more capital intensive export sector has allowed a 4.7 percent annual increase in industrial output as of June. In the agricultural sector, a better than average harvest is expected due to good weather and higher government subsidies.

The economy as a whole, however, is growing at a slower rate than last year. As a result of the restrictions on credit, construction and foreign workers, the government's economic experts predict a real growth in GNP of only 3.8 percent this year and 3.0 percent in 1974, compared to 4.7 percent in 1972.

In implementing the series of anti-inflationary measures taken in January, the government has extended the 6 percent ceiling on the annual growth of bank credit to cover the period August 1, 1973 to July 31, 1974, limited government salary increases to cost-of-living adjustments, and issued wage-price guidelines for 1973 and 1974.

Under the guidelines, price increases will be "unjustified" if they exceed increased costs. Higher than average wage increases cannot be regarded as a legitimate reason for raising prices.

This indirect effort to hold down wages puts the burden on the employer and has promoted businessmen to call for more stringent government wage controls. While there has been some discussion in government circles about the possibility of implementing a true incomes policy, stronger wage-price controls do not appear politically feasible at this time.

The major burden of the anti-inflationary program has fallen on the monetary sector through the various restrictions on credit. These restrictions were expanded in April to include the nonbanking sector when the insurance companies and pension fund managers agreed to limit lending for various types of construction and for financing municipal and cantonal budgetary deficits.

Complaints about the government's curbs on credit and construction have been growing. While the government has announced that building controls will be eased in 1974, there are no indications that the monetary screws will be loosed any time soon. Demands that the government make more use of fiscal policy in the fight against inflation have met with only a modest response.

Big budget deficits

The federal government, which accounts for only about 37 percent of public sector expenditures, has reached an agreement with a majority of the cantons to limit 1974 expenditures to the nominal growth of GNP (real growth plus inflation). Even so, the federal government's 1974 operating budget calls for a deficit of SF 195 million (1.5 percent of expenditures) and the cantons and municipalities are also expected to run large deficits next year.

The government's anti-inflationary program is based on four decrees approved as emergency measures by the Parliament last December. Under Swiss law such emergency measures must be abolished or put to a national referendum within one year. December 2 has been set as the date for the referendum, at which time the people of Switzerland will determine what the government's future role will be in the effort to control domestic prices. Without the authority pro-

vided by these decrees, the government would be limited to the use of high interest rates as its only weapon against inflation.

Despite periodic unrest in the world's foreign exchange markets, there have been no major inflows of speculative capital since the Swiss franc was allowed to float on Jan. 23. A combination of the floating franc and government capital controls has permitted only a modest growth in foreign exchange reserves so far this year. As a result of this relatively calm situation, the Swiss National Bank on Oct. 1 removed the 2 percent per quarter negative interest rate on franc deposits held by nonresidents.

Franc has appreciated

From May 1971 to October 1973, the franc has appreciated an average of approximately 20 percent relative to all the currencies of the world (the appreciation against the dollar totals about 42 percent). Since January of this year, the appreciation relative to the dollar has ranged from a high of 39 percent (in early July) to about 21 percent at the end of October (at an average of SF 3.09 = $1.00).

While it is difficult to predict future exchange rates, the expected improvement in the U.S. trade balance should strengthen the dollar to about SF 3.20 or better sometime next year. The present float of the franc is expected to continue until the reform of the international monetary system is completed.

Contrary to expectations, the large increase in the value of the franc has apparently not hurt Switzerland's competitive position abroad. The nominal value of merchandise exports during the first three quarters of this year is 14.2 percent higher than during the same period in 1972, while the actual quantity of goods exported is up about 12 percent. The backlog of machinery orders has increased from an average of 7.6 months at the beginning of the year to 8.4 months at the end of June. Many exporters and government officials fear, however, that if there is a major economic downturn in the United States and Europe next year, Swiss exports will be hard hit.

The volume of imports is also growing, but at a slower rate than exports. In value terms, imports during the first nine months of 1973 were up 11.5 percent, and about 7.5 percent more in quantity terms. Although the high appreciation of the franc should have reduced the cost of imports, the average 4.5 percent increase in import prices reflects the sharp surge in the worldwide cost of goods, particularly for raw materials.

The present low value of the dollar relative to the franc and the prospect of continued labor shortages has made direct investment in the United States increasingly attractive to Swiss businessmen.

American corporate and regional interests looking for possible Swiss investment may wish to attend the Embassy-supported seminar on Market and Investment Opportunities in the United States, Dec. 6-8, 1973, at the Gottlieb Duttweiler-Institute, Rüschlikon, Switzerland. The seminar will devote 1½ days to investment in U.S.

Switzerland's trade with the United States has been growing more slowly than its total trade. Consequently, the U.S. share of Swiss imports has declined from 7.2 percent in 1971 to 6.9 percent in 1972 and to 6.4 percent in the first three quarters of 1973. While part of this decline is due to the massive change in the relationship between the dollar and the franc, U.S. exports to Switzerland should be doing better.

A survey conducted by the Embassy earlier this year indicated that about one-half of U.S. exports to Switzerland, which include a wide variety of industrial and consumer goods, were enjoying reductions in Swiss franc prices ranging from 5 to 24 percent. The Embassy's survey also showed that nonprice factors continue to be very important in determining the competitiveness of U.S. products. Many Swiss importers complained about the lack of continuity of supply from the United States, poor after-sales service, and tough credit terms.

Establishing and maintaining a position in the Swiss market requires (1) a sustained interest in the market, (2) financial support of the agent/distributor for promotional activities, (3) observance of local commercial practices, and (4) compliance with local rules, customs, and preferences.

Industrial products with good market potential in Switzerland include health care equipment, regulating and control instrumentation, advanced analytical and laboratory instrumentation, environmental control equipment, food processing and packaging equipment, and a variety of sophisticated electronic equipment.

Extensive market survey

The U.S. share of the consumer goods market could also be expanded. The Embassy has recently completed an extensive survey by product category of the market potential for American consumer goods, which can be obtained through the Department of Commerce or one of its District Offices by asking for Bern A-403, Oct. 5.

American suppliers of consumer goods interested in introducing their lines to the Swiss market may wish to take advantage of a large-scale promotion of American products being planned by Switzerland's largest chain of department stores, the Maus Freres group. The promotion will take place in 30 of the chain's stores scattered throughout Switzerland from April 26 to May 18, 1974. Interested U.S. suppliers should contact the chain's buying representative, Kirby, Block and Co., 393 Seventh Ave., New York, N.Y.

Cameroon Moves To Expand Exports To Balance Increasing Import Demand

Cameroon, like many countries dependent on basic commodities for export earnings, is vulnerable to the vicissitudes of weather and fluctuating world commodity prices and to the ever-expanding import appetite of a developing economy. The economy has been clearly under stress by both these factors, reports the U.S. Embassy in Yaounde.

Fortunately, world commodity prices, particularly for cocoa, Cameroon's principal export, have been at record highs during 1973, thus helping to compensate for earlier depressed export earnings and serving to replenish commodity stabilization funds that were drawn down in 1971 and 1972 for public works projects to stimulate the economy.

Wise policy

But in order to balance the increasing demand for imports, the volume of exports will have to be boosted. The government is vigorously attempting to enhance its recognized export potential by increasing production and improving the quality of export commodities and by developing its transportation network and infrastructure. The wisdom of this policy is apparent but, naturally, will take time to bear fruit.

The export earnings of Cameroon—endowed with a wide range of climatic, topographic, and soil conditions—rest on its diversified agriculture. Cocoa remains the largest export, accounting for about 30 percent of earnings, followed by coffee (25 percent), and variable cotton exports. With the assistance of the World Bank and European aid sources, the production of oil palm, sugar cane, and rice are all scheduled to be doubled by 1976 from 1970 levels.

Modernization of traditional livestock raising is being studied with the intention of expanding commercial beef production. Timber is increasingly becoming a more important component of export earnings—11 percent in 1971—and exploitation will grow rapidly when transport bottlenecks are eased.

Improvement in hydroelectric facilities by mid-1974 is expected to stabilize aluminum production at 60,000 metric tons by 1975 and permit greater consumption of electricity for both general industrial and domestic use. Studies of the important bauxite deposits at Minim-Martap, near the section of the Transcam Railway scheduled for completion in early 1974, have been finished; because of their distance from the sea, exploitation of the deposits is probably some years away.

Traces of offshore oil and natural gas are present in Cameroon, but problems presented by the geological structure have handicapped active drilling. Seismographic studies continue and if commercial quantities of petroleum are confirmed, economic projections could be radically altered in the long run.

Manufacturing output

While manufacturing accounted for only 10.6 percent of the 1969/70 GDP, this sector had grown at an annual rate of just over 20 percent during the previous five years. According to an industrial index based on the production of some 70 major processing firms, output in 1972 increased by 12 percent, reflecting a fall off in new industrial investment, the gradual end of investment incentives in established companies, and a general downturn in the economy.

Because the most dynamic industrial growth—that of domestic import substitution—now appears to be declining, an effort is being made to channel industry into the production of intermediate goods for local industrial consumption and export. Among the major industrial projects of the Third Five-Year Plan (1971-76) to be realized in the near future are a $22 million fertilizer plant, a $57 million petroleum refinery, and a $6.5 million sugar refinery expansion project.

Other projects under consideration by the government include a pharmaceutical plant, a second sugar complex, several agro-industrial projects, an airconditioning and refrigerator plant, and a tannery.

Industrial exports to the neighboring countries of the Central African Customs and Economic Union (UDEAC) and Chad expanded in 1972 by 25 percent, accounting for almost one-third of Cameroonian industrial exports and demonstrating continued potential for local industry.

Biggest impediment

Transport strains are perhaps the biggest impediment to development and the most costly to overcome. The Third Plan sets aside 34.3 percent of public investment for transport, which also receives strong support from the IBRD and other major donors.

Top internal priority remains the north-south road/rail axis linking the port of Douala and Yaounde, the capital, with the North. Now in service as far as Goyoum, the Transcameroonian Railway is scheduled to be in use over its entire length to Ngaoundere by January 1974. Attention will then turn to major realignment and rehabilitation of the badly worn and heavily used rail link between Douala and Yaounde.

Beyond the railroad at Ngaoundere, an extensive road improvement project is under way. The IBRD-sponsored Ngaoundere-Garoua road should be completed by late 1974. Construction on the section from Garoua to Mora is scheduled to start in 1974 and be

finished in 1976. The final stretch up to the Chad border, financed by West Germany, is already under construction.

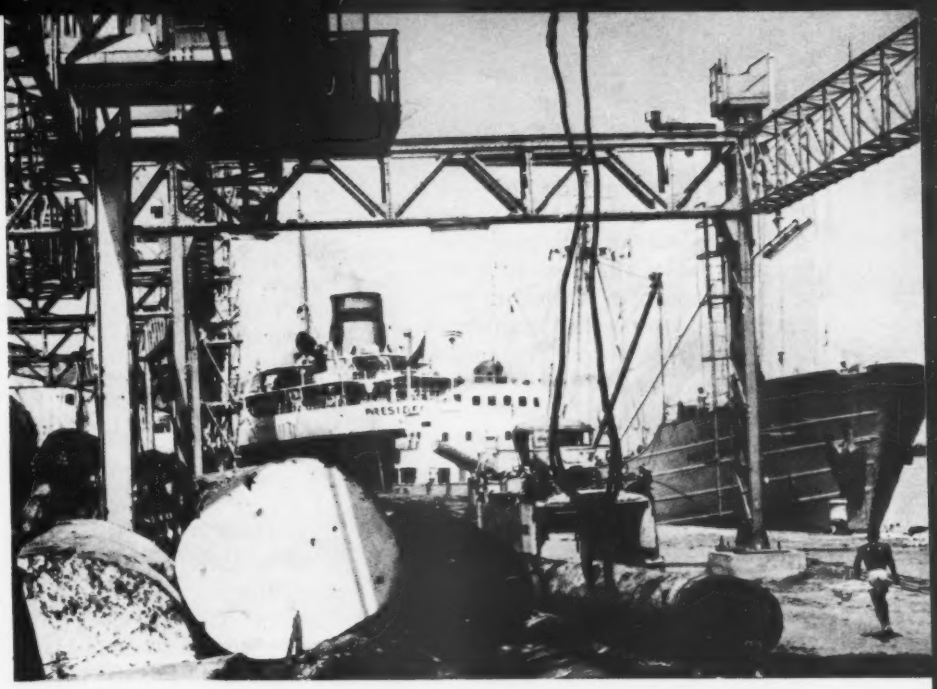
In western Cameroon, a new road from outside Douala to Victoria and Tiko was opened in mid-1973 and bids have been called on another key western link, the Douala-Kekem-Foumban road. Also to be launched in 1974 is a priority secondary farm-to-market and logging road project under the aegis of the army civil engineers.

Port traffic in Douala, by far Cameroon's principal port, about doubled during the 1960's; having virtually reached the saturation point, it has varied only slightly since 1970. Plans are under way for major expansion of facilities to overcome the port congestion. As an intermediate step, a World Bank Loan of $1.5 million to be disbursed by the end of 1973 will permit construction of a new quai at Bonaberi (across the Wouri estuary from the main facilities at Douala), further improvements to the log-handling area, and acquisition of a new dredge.

Comprehensive study

A comprehensive study prepared by the French-German consultant group SOGREAH / DSBI / OCCR will be the basis for the long-term port development plan which is soon to be presented to the IBRD and other potential sources of financing. Its major elements include improvements to the present Port of Douala, as well as construction of new deep-water facilities at Pointe Limboh near Victoria. The latter is the site of the new national petroleum refinery and the most feasible exit point for bulky exports like bauxite, if these should develop.

Cameroon Airlines, the national air carrier launched in November 1971, now runs three flights a week to Europe, has flights to Central and West Africa (as far as Dakar), and provides expanding service in internal commercial air traffic. In early 1973 the company's capital was doubled to $11.8 million, and plans to add a computer and several light commuter planes were announced later in 1973. Construction of the new $18 million Douala international air terminal to be completed in late 1975 is now well under way with the assistance of the French Government and the African Development Bank.



WOOD STORAGE YARD AT DOUALA—*Port traffic in Douala has expanded considerably and plans are under way for major expansion to overcome congestion.*

The government is pressing an active, but moderate "Cameroonianization" program. Private investors are asked to prepare Cameroonian citizens to assume positions of increasing responsibility in their ventures and the number of jobs created for local nationals is one of the criteria judged in granting investment code benefits.

Credit to the private sector rose by $37 million (19 percent) in 1972, noticeably above the annual average increase of 12 percent between 1966 and 1970. The spectacular increase in total domestic credit in 1972 of $63 million (60 percent) reflects both the increases in credit to the private sector and the decline of the public sector net creditor position by $25.7 million, as commodity stabilization funds were drawn down for public works projects.

The expansionary credit effect appears to have been directly felt in increased imports, resulting in a large deficit of $81 million in the 1972 trade balance and a substantial drop in central bank holdings abroad of $30 million. Development needs will require a continuing large volume of imports. Although productive activities can be expected to have favored access to import credit facilities, increased commodity export earnings and foreign investment will be necessary to maintain an acceptable balance.

Attracting aid

Cameroon has been able to attract a large and diversified pool of foreign assistance since independence. Since 1967 the World Bank has become increasingly important, with loans amounting to more than $80 million approved to date. The European Development Fund has also been prominent in channeling over $140 million in EC-sponsored aid to Cameroon by 1973.

Bilateral aid has come princi-

ALUCAM FACTORY AT EDEA—*Private foreign investment is officially encouraged in Cameroon and American business in particular enjoys a good local reputation.*

pally from France, West Germany and the United States, as well as from other countries of Western Europe, Canada, and the Soviet Union. In early 1973 a long-term credit of over $80 million from the People's Republic of China was announced, with agreements to be worked out later for specific projects.

Diversification moves

Since gaining political independence, Cameroon has encouraged diversification of its economic and commercial ties to balance out a persistent economic dependence on France. Preferences which linked former French Africa to the metropole have been supplanted by a system of reciprocal trade preferences between the European Community and the African associated states. In January 1970, the UDEAC countries sharply reduced tariffs on imports from non-EC countries, thereby reducing the degree of preference accorded European suppliers. Upcoming renegotiation of the association arrangements between the European Community and African countries are expected to further reduce or eliminate such preferences which disadvantage American and other non-EC suppliers.

There remain non-tariff barriers such as licensing requirements that regulate domestic industry and control trade in health-related products. Goods from outside the franc zone may only be handled by approved importers, a measure which imposes some inconvenience on American exporters. The solution that has been adopted by several successful American suppliers is to appoint a local representative from the list of established importers.

Sales to the public sector represent a large share of the country's imports and benefit from the full force of the government's diversification effort. Sizable purchases of American products have recently been made in commercial aviation and military transport equipment, which in turn carry with them continuing spare parts sales. The public sector is likely to continue to be a good customer for heavy road building transportation, and telecommunications equipment, as well as engineering services and plant installation, especially those associated with untied World Bank-financed projects. Public tenders are periodically called for insecticides and agricultural and veterinary supplies.

In the private sector, a continuing market exists for American earth-moving and logging equipment and spare parts, electrical machinery, tobacco, kraft paper, and canned and processed food. Increased competitiveness of American projects because of devaluations and recognized high quality have also stimulated local interest in consumer projects such as plastic covering material, hand tools, and clothing.

In recognition that domestic savings and foreign aid alone cannot increase investment at the desired rate, private foreign investment is officially encouraged in Cameroon. American business in particular enjoys a good local reputation for management, technical capability, and innovation. An Economic Mission was recently opened within the Cameroonian Embassy in Washington to stimulate U.S. investment.

Investment procedure

The Ministry of Commercial and Industrial Development is the principal government agency handling new investments, but most initiatives are subject to inter-ministerial decisions involving pertinent government agencies. Tax privileges and duty-free admittance of equipment are negotiated according to the National Investment Code that provides graduated benefits commensurate with national development priorities.

The government may participate in the equity of a new venture, primarily through the National Investment Company, but is generally disposed to assign management control to the private partner. This is true even in the three government majority companies (national oil refinery, urban transport, and national insurance company) founded in 1973.

An Investment Guaranty Agreement allowing American investments to be insured through the Overseas Private Investment Corporation has been in existence since 1967.

Vietnam Welcomes U.S. Participants In Massive Economic Rebuilding Job

Continual infractions of the ceasefire agreement signed in January are restraining the postwar recovery of Vietnam's economy and clouding the trade outlook, according to James H. Ashida, Commercial Attache at the U.S. Embassy in Saigon.

Nevertheless, by mid-year domestic investment was increasing rapidly in spite of raw material and equipment shortages and soaring prices. Moreover, cessation of large-scale fighting has permitted some encouraging developments. Vietnam's exports, especially of shrimp and logs, are expected to more than double from $22.5 million in 1972 to more than $50 million in 1973, and to over $95 million in 1974. Agricultural and industrial output is expanding. Production of rice in 1973 should reach 6.3 million tons, a new record. An expansion of cement production capacity to one million tons is under way with a $28 million loan from French banks.

Offshore oil

Signing of offshore oil concessions has already earned almost $17 million for the Government of Vietnam. Geophysical work has already begun. Although actual drilling is not expected to start until the summer of 1974, the activities of the petroleum service companies just beginning will provide a needed fillip to the economy.

Construction of at least one large luxury hotel for Saigon by foreign interests is expected to start within a year. A total of three are planned. Two of these will be managed by American hotel chains.

Although foreign aid prospects for next year are still uncertain, it seems likely that the total of aid from all sources will be at least as great next year as last. The U.S. Congress has yet to take final action on the Administration's request, which includes $475 million for Vietnam. Negotiations between the Government of Vietnam and Japan, France, and other countries for increased aid are taking place, but have not been completed. On the other hand, the prospects for formation of an International Consultative Group under IBRD auspices are good.

Important U.S. market

The United States is the largest source of imports into Vietnam. In 1972, 46.5 percent of Vietnam's total imports came from the United States. During the first half of 1973, the U.S. share rose to 50.0 percent. The bulk of the U.S. imports were financed by AID's Commercial Import Program (CIP) and the PL 480 program, only an insignificant portion being financed by foreign exchange.

Vietnamese end-users and consumers have become familiar with the quality of U.S. raw materials, equipment, and machinery. Moreover, Vietnamese importers and end-users have been able in many instances to establish close business ties with American firms. A start has been made toward establishing a foundation for regular commercial trade between the two countries through the CIP program.

As for imports financed with foreign exchange, the two devaluations of the dollar have made many U.S. products competitive with those from Japan and other countries whose currencies have been revalued. Thus, the U.S. share of Vietnam-financed imports is expected to rise provided U.S. manufacturers can allocate some of their output for the export market.

Since most U.S. imports into Vietnam are financed by the CIP, it is essential to know how this program operates. A "positive list" of products eligible for AID-financing under the CIP shows the products which may be procured only from U.S. sources and others which are eligible for importation also from code 941 (free world developing) countries. This list should be examined to see whether your product is included. The Vietnam Government provides a concessionary foreign exchange rate for CIP imports as an inducement to buy from U.S. sources. At this writing, the special CIP rate is 425, while the official rate is 525 piasters per $1.00.

Selection of a good local agent is essential if your products are to be brought to the attention of potential buyers. An active and alert agent will have wide contacts among potential customers and with government officials. Visits by the representative of your firm to Saigon are recommended from time to time to familiarize himself with the local market and to encourage and assist the local agent.

Fortunately, there is sufficient latitude in the way the CIP program operates to permit a local end-user accustomed to the product of a particular American manufacturer to continue to buy from the latter even though his quotations may not be the lowest. In this manner, the CIP program seeks to strengthen normal seller-buyer relationships.

What to sell

Under the CIP program, the most promising item appears to be chemical fertilizers: urea, mixed chemical fertilizer, and diammonium phosphate. Importation of chemical fertilizer to maintain and increase agricultural production has the highest priority.

Iron and steel products are also in keen demand to meet expanding requirements of local industries. Carbon steel wire rod is used for fencing after being galvanized. Black plate (primary) is needed for the manufacture of galvanized sheets for roofs. Electrolytic tinplate is used to make bottle caps,

batteries, and tin cans. The manufacture of both of these items has increased greatly under the in-country procurement program. Carbon steel sheets are required for the manufacture of automobiles, oil drums, and sidings for dwellings. Since there is a tight supply situation in the United States for many of these items, local importers have experienced considerable slippage in delivery dates.

Market will expand

The market for synthetic yarns will expand as the local textile industry continues to shift from cotton fabrics to cotton-synthetic blends and synthetic fabrics. Thus, there should be strong demand for polyester, rayon, nylon, and acetate filament yarn as well as rayon staple fiber and acrylic and polyester spun-yarns.

There is also strong demand for artificial resins and plastic materials for the growing local plastics industry. They include polyethylene resins, polypropylene, polyvinyl chloride, and polystyrene.

For machinery items, farm tractors (65-80 HP); air-cooled engines for irrigation and river transport use; small, electrical centrifugal water pumps; diesel engines for river barges; gas compressors; and replacement parts for textile machinery have an excellent market in Vietnam.

Other items worth mentioning are spare parts for trucks and passenger cars, accounting and bookkeeping machines, agricultural sprayers, bulk handling equipment, small electrical motors, and peripheral equipment for data processing.

Items in short supply

Many items such as plastic raw materials, iron and steel products, synthetic fibers, and certain machinery and equipment are in short supply. U.S. producers and exporters should try to allocate some of their production for this export market to preserve their preponderant market share made possible by the CIP program. While the amounts involved are in most instances quite small, the Vietnamese market over time could become an important outlet for these products.

For investors that get in on the ground floor before the competition, there are good opportunities now in many fields. The Investment Service Center (ISC) in downtown Saigon should be the first stop for any businessman seriously interested in investing in Vietnam. Here in one handy place is information on investment incentives and activities eligible for such incentives. Moreover, the ISC seeks to identify the most attractive investment projects and bring them to the attention of potential investors. The ISC is charged with assisting an investor through every stage of his investment from collecting data needed for his investment to getting permits and complying with procedures and regulations.

The new investment law, which is administered by the Investment Board (ISC serves as its secretariat), is one of the most liberal to be found anywhere. To mention a few of the incentives, the law permits up to 100 percent foreign ownership, allows total conversion and remittance of net profits and interest earnings, and permits repatriation of 20 percent of the invested capital annually after the fifth year. The law offers five years' holiday on many taxes and other fees. Profits are exempt from the income tax for five years, or until distributed profits equal the original capital investment, whichever comes first. It specifically guarantees that no government-owned project will compete with any other which enjoys investment privileges, and it guarantees against expropriation.

Most attractive fields

Since the many years of fighting has retarded economic development, there are numerous attractive investment opportunities in industries engaged in food processing; manufacture of plywood, furniture, and pulp and paper; and

VIETNAMESE PULP AND PAPER MILL—*The Cong Ty Ky Nghe Giay Viet Nam mill, 20 miles from Saigon, was built by the Parsons & Whittemore-Lyddon group.*

rubber processing. In addition, chemicals, electronics, ceramics, and machinery of all kinds are wide open for investors. Service industries such as hotels, construction, and marine transportation offer opportunities that should not be neglected.

The three American banks — Bank of America, Chase Manhattan Bank, and First National City Bank — can provide short- and medium-term financing. In addition, there are specialized institutions like the Industrial Development Bank and the Investment Development Bank for medium-term project financing. These institutions are very helpful in assisting investors with their financing problems.

In any event, businessmen are urged to heed the advice being given out to tourists in Air Vietnam's current advertising theme: "You've read about it, now go see it."

U.S. Exhibitors Invited To Budapest Plastics Show

The U.S. plastic industry has been invited to exhibit its product lines in HUNGAROPLAST '74, the only regularly organized exhibition of plastics industry in Eastern Europe.

The show will be held in Budapest April 19-24, and covers plastic manufacturing machines, testing methods and equipment, raw plastic and subsidiary materials, finished and semi-finished plastic goods, and plastic applications in machine vehicle, building and furniture industries.

The state organization administering the exhibition, HUNGEXPO, also has scheduled a series of technical consultations and seminars during the show.

Application forms are available until Dec. 15, from the Bureau of East-West Trade/OEWTOP, Department of Commerce, Washington, D.C., 20230 or from HUNGEXPO, 1441 Budapest, P.O. Box 44, Hungary.

World Trade Actions

Chilean Military Junta Announces Stringent Economic Recovery Moves

The Military Junta which took control of Chile on Sept. 11 is undertaking a series of stringent economic recovery measures designed to rehabilitate Chile's economy. These include a new exchange rate structure, new price and wage policies, and the return to their owners of firms which were taken over by the former government.

Significantly, economic decentralization and decontrol, in which market forces are to play a leading role, are at the heart of the Junta's policies. In addition, the Junta has expressed itself in favor of foreign investments. It has also declared its intention to discuss compensation with expropriated U.S. copper mining companies and a willingness to recognize Chile's international debts.

To alleviate strong pressures on its balance of payments and to rebuild its largely depleted foreign exchange reserves, the Central Bank of Chile put into effect, on Oct. 1, a new exchange rate structure, thus eliminating the complex multiple exchange rate system previously in force. Substantially devaluing the escudo, the Central Bank established a single rate of 280 escudos per dollar for both imports and exports, except for copper exports which receive a rate of 110 escudos. The rate for imports and exports was modified to 285 escudos on Nov. 1.

In effect, the changes are designed to provide greater balance between internal and external prices. The previous average effective rate had been about 50 escudos per dollar which did not realistically reflect internal inflation as the cost of living soared by 323 percent during the 12-month period August 1972—August 1973.

Concurrently, the Central Bank set a rate of 850 escudos (later reduced to 800) for all other dollar exchange transactions, except for Chilean tourists. It is hoped that these measures will stimulate Chilean exports, among other things, while decreasing imports of foodstuffs and other consumer goods to levels commensurate with Chile's scarce foreign exchange availabilities.

Prices decontrolled

Price controls, which were set at artificially low levels by the former government and which led to product shortages and an active black market, have been modified and prices permitted to rise very substantially (87.6 percent in October).

To dampen the effect of higher prices on basic consumer goods items, the Junta fixed prices on some 30 goods and announced that it would give close scrutiny to prices of some 18 other basic consumer goods. It stressed that abusive price increases would not be tolerated and would be countered by permitting imports to come in under lower import duties or by subjecting exorbitantly priced goods to fixed prices. In addition, the Junta announced that subsidies would be made available for items such as tea, bread, noodles, sugar and cooking oil to protect lower income groups from high prices.

The Junta hopes that the end effect of decontrolling prices will be to stimulate badly needed increases in production, particularly in the area of foodstuffs, although it recognizes that prices will continue to go up until sufficient time has elapsed for increased supplies to reach the market.

With respect to wages and salaries, the Junta ruled out the tra-

ditional wage and salary readjustments which this year were to be paid in October and would have offset an increase in the cost of living (193 percent over the first nine months of 1973). Besides their regular salaries, Chileans will receive two bonuses and a transportation subsidy during the October-December period.

Effect on incomes

For the lowest income earners there will be an additional bonus and family allowances will be raised to 900 escudos per month. Those family allowances which already exceed 900 escudos will be frozen at current levels. As a result, incomes during the final quarter of 1973 will be considerably less than if the usual readjustment had been allowed on Oct. 1. Furthermore, the work week was extended from 44 to 48 hours without additional pay.

In addition to decontrolling prices and restraining wage and salary increases, the Junta announced guidelines for the return to their owners of some 200 firms which had been taken over by the former government. These included about 40 firms in which U.S. investors had an interest. Prior to transferring control back to the private sector the Junta will require, among other things, that the owners will not claim indemnification from the State for damages to their properties and must recognize all debts incurred by the firms vis-a-vis the State while they were under the control of the Allende Government. Furthermore, the owners will have to agree to a "Statute of Company Participation" which will be announced and which will set forth the form and conditions for worker participation in the enterprises. Some form of worker participation in company earnings is anticipated.

The State will continue to control those sectors which are of strategic importance for the security, economic and social development of the nation. This includes the large mining companies in which U.S. companies such as Anaconda, Kennecott and the Cerro Corporation had important participations. The Junta has, however, announced that it intends to engage in talks with these companies concerning compensation for nationalized mines.

The Junta further declared that it would enter into discussions with international creditors in early 1974 in order to renegotiate Chile's massive foreign debt which is estimated at about $3.8 billion. Meanwhile, international lending agencies are studying current conditions in Chile and the measures which the Junta is adopting to bring about economic recovery. It will be on the basis of these studies that decisions will be made regarding the extension of economic assistance to Chile.

Period of belt-tightening

In sum, Chile is now going through a period of belt-tightening after the economic excesses of the last three years. Consumption is to be cut back in the immediate future. Production for export of mineral and manufactured products is to be promoted. Concurrently, the climate for private business is to be improved so that industrial and agricultural production will be stimulated to increase domestic supplies and lessen inflationary pressures. Efforts will continue to be made to restore Chile's creditworthiness abroad with a view to obtaining the loans, credits and development assistance needed to restore economic growth.

Israel: The Government has raised the import surcharge from 20 to 25 percent, making the effective exchange rate for imports 5.25 Israeli pounds per dollar. Also, the purchase tax was raised a flat five percent on all goods except television sets and washing machines (10 percent) and imported pickup trucks (from 5 to 25 percent). Customs duties on certain luxury items such as furniture, shoes, glassware and cigarettes were raised by 20 percent.

Finance minister Safir said the increases were designed to raise revenue for the Government and to reduce consumption of imported goods with an eye to conserving foreign exchange.

Slipshod Documentation

The following comment on documentation practices is addressed to Commerce Today readers by the American Consulate General in Sydney, Australia:

Complaints are received from time to time from Australian importers of U.S. goods that customs invoices (invoice and certificate of origin) are received in Australia improperly filled out by U.S. exporters. This results in delays in clearing customs in Australia, many times adding additional demurrage charges to a shipment. Local shipping offices and customs agents estimate that as many as 5 to 10 percent of invoices are received in a faulty condition. They also point out that customs invoices received from Japanese firms are nearly always filled out correctly.

U.S. Chemical Firms Can Exhibit At Paris Show

"INTERCHEMIE '74," to be held in Paris June 8-12, offers American suppliers an opportunity to demonstrate their products and reach engineers, research laboratories and manufacturers in the French chemical industry. This exhibit will be held in conjunction with the 10th International Chemical Conference, which will hold sessions dealing with the purification of fluids, nuclear energy, and special steels. Further information may be obtained from Comite des Expositions Paris, 7 rue Copernic 75116 Paris, France.

International Business Reports

The World's Multinational Enterprises: A Sourcebook of Tables. Published by the Harvard Business School. 505pp. $25.

Since 1965 the Harvard Business School has been engaged in a detailed analysis of the problems and practices of so-called multinational enterprises—that is, large enterprises which have extensive interests in subsidiaries and branches outside their home countries. In connection with this study, a unique file of statistical data was collected on the foreign subsidiaries of the world's largest manufacturing companies. This publication presents several hundred tabulations and cross-tabulations of the data.

Write: Division of Research, Harvard Business School, Soldiers Field, Boston, Mass. 02163.

Chemical Guide to Europe. Published by Noyes Data Corporation. 326pp. $24.

This sixth, expanded edition describes approximately 1,160 companies in the 19 countries of Western Europe which together constitute a market almost as large as that of the United States. All the major European chemical companies are included.

Whenever possible, the following information has been included for each company: name and address, telephone and telex numbers, ownership, plant locations and products, principal executives, domestic and foreign subsidiaries and affiliates, latest sales figures, and number of employees. The internal structure is also given for some of the large companies.

Write: Noyes Data Corporation, Mill Rd. at Grand Ave., Park Ridge, N.J. 07656.

European Food Processing Industry 1973. 263pp. $36.

This market report on the food processing industry in 17 countries of Western Europe is designed to help American business in sales, market research, development, planning, acquisitions and mergers. Each individual survey for each country is preceded by a discussion of the structure of the industry, giving statistics for production, consumption and trade. Organization is by food categories within each country. Included is a list giving the names and addresses of about 2,000 of Western Europe's leading food processors.

Write: Noyes Data Corp., Mill Rd. at Grand Ave., Park Ridge, N.J. 07656.

The Year Book of World Affairs. 1973. Published under the auspices of The London Institute of World Affairs. 462pp. $19.50.

This annual survey contains research articles covering important recent topics in international relations. An effort is made to preserve the balance between theoretical and practical approaches and to emphasize political, institutional, economic and other problems.

Write: Praeger Publishers, 111 Fourth Ave., New York, N.Y. 10003.

Nevada Export Directory. 28pp. Free.

This publication is a joint pioneering effort of the Nevada District Office of the U.S. Department of Commerce, the State of Nevada Department of Economic Development, and the University of Nevada Bureau of Business and Economic Research. It is designed to pinpoint the best foreign markets for selected product categories produced in the State.

The opening pages outline Commerce Department's global marketing strategy for the 70's and discuss how it can help firms develop and expand foreign markets. A list of Nevada firms is then presented that most likely will benefit from the export opportunities developed by Commerce Department for the target industries and target of opportunity categories of the global marketing strategy.

Write: U.S. Department of Commerce, Reno District Office, 2028 Federal Bldg., 300 Booth St., Reno, Nevada 89502.

Calendar For World Traders

Nov. 28-29 — Ann Arbor, Mich. — Seminar on Trading with Japan: a growing market and competitor, Weber's Inn. Sponsors: U. of Michigan's Inst. for International Commerce, Japan Society, Detroit District Office.

Nov. 29 — Greenvale, N.Y. — Seminar on opportunities in Zambia. C. W. Post Center, 4-6 p.m.

Nov. 29-30 — New York — Year-end tax planning for DISCs, World Trade Institute.

Dec. 4—New York—FCIB-NCAM annual meeting on international finance, credit, collection and exchange problems, Summit Hotel, noon.

Dec. 4 — New York — Briefing on Yugoslavia's changing climate for trade and investment, Institute of Public Admin., 1 p.m. Sponsor: International Study and Research Institute.

Dec. 5-6 — New York — Meeting on the trade aspects of product safety legislation, World Trade Institute. Sponsor: Bureau of National Affairs.

Dec. 6 — Atlanta — Export seminar, District Office, 10 a.m.-noon.

Dec. 12 — New York — FCIB Publishers Export Credit Group luncheon meeting, Advertising Club, 1 p.m.

Dec. 13 — Chicago — Overseas Automotive Club's 43rd annual banquet, Sheraton-Chicago Hotel. 6:30 p.m.

Dec. 13 — Greenvale, N.Y. — Seminar on opportunities in Japan, C. W. Post Center, 4-6 p.m.

Worldwide Business Services

International trade specialists in the Department of Commerce and Foreign Service Officers in the U.S. Embassies and Consulates around the world are continually developing specific commercial opportunities through which American companies can find buyers, agents, partners or investors overseas. One of the major means for communicating these opportunities promptly and accurately to the U.S. business community is through these columns of Commerce Today.

Licensing, Investment Abroad

THAILAND — The Thai Board of Investment has recently prepared a set of publications describing investment opportunities in several major sectors. The industries covered include **minerals, electronics, plastics, food processing and chemicals.** The publications outline the present status of the particular industry under review and pinpoint specific promising product areas that may be of interest to foreign investors. Copies are available on a loan basis from the Foreign Investment Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-73704. To obtain further information write: Board of Investment, Mansion 2, Rajdamnern Ave., Bangkok.

In its efforts to attract foreign investment to the Inga region of the country, the Zairian State Commission for National Economy is publishing an illustrated brochure describing the advantages of the area. A main selling point is a hydro-electric complex which will, when completed, have a capacity of 240 billion kilowatt-hours of cheap, non-polluting power annually. Other inducements to large-scale industrial development include the area's geographic position, vast mineral and metal resources, agricultural potential and unexploited forest reserves.

President Mobutu has announced publicly that any foreign investors wishing to take advantage of the facilities offered by the Inga region will receive special treatment in the way of fiscal, legal, customs and foreign-exchange arrangements. Development of metallurgical and chemical industries are of special interest to the Zairian Government.

Copies of an unofficial translation of the brochure are available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. P-73716.

2099 — MEXICO — A small firm seeks a joint venture to expand its **food processing operation.** The company currently processes and wholesales spices, condiments, meat and peppers. The expansion would include processing of mangoes and pineapple. Equity of 49 percent is offered to a U.S. participant. Facilities are located on the outskirts of Monterrey. The company has designed and built its own machinery. Established in 1958, the firm employs six. Leopoldo Villarreal Santos, Manager, Ryna-Mex, Uruapan Nte 32Z, Guadalupe, N.L., Mexico. WTDR. P-73710.

2499, 2511 — IRELAND — A licensing, joint venture, or sub-contracting arrangement is sought to expand manufacture of **traditional craft furniture.** The company currently manufactures refectory style dining room and kitchen seating, tables and traditional dressers, meat and fish serving and carving platters for the boutique and souvenir shop trade and custom-built and designed bar and restaurant furniture. The firm is interested in a licensing or joint venture arrangement with a U.S. manufacturer of similar products, or in sub-contracting either to manufacture a component part and/or to assemble and ship to final destination. Established in 1970, the firm has six employees. Its principals include several American citizens. The project is eligible for incentives offered by the Irish Government to promote industry, especially exports. Additional detailed information available from the Foreign Investment Services Staff, Room 4021, U.S. Department of Commerce, Washington, D.C. 20230. WTDR. P-73711.

2834, 2841 — INDIA — Seeks joint venture to manufacture **pharmaceuticals, detergents and soaps** for sale in India and Middle East markets. Interested in representing U.S. companies in India. Also wishes to establish government certified **laboratory for testing pharmaceuticals, cosmetics and food.** Firm established 1930, currently produces laxative and APC tablets. S. S. Narayan Iyer, Managing Director, Dawn & Co. P. Ltd., 419-F Kalbadevi Rd., Bombay-400 002, India. P-73713. OPIC.

2834—SWITZERLAND—Seeks licenses to manufacture **geriatric pharmaceutical preparations** such as drugs acting against circulatory diseases, rheumatism, and other afflictions of the aged. Firm is reputable, enterprising manufacturer/distributor of dental anaesthetics, medicated cosmetics, geriatric, vitaminized and antibiotic pharmaceuticals. Employs 120 in modern production-research facilities, exports to 95 countries. Guido Willi, Vice Director, Pharmaton S.A., P.O. Box 145, 6903 Lugano. P-73719.

2834 — TRINIDAD — Seeks licenses to produce **bulk-packed, long-acting or sustained-release capsules or tablets** for repackaging for local and export sales. Firm currently packages pharmaceutical products for sale in the Caribbean, Central and South America, has estimated annual sales of $150,000, potential for expansion to $250,000. Ramon Fabres, Managing Director, Promed Pharmaceuticals Ltd., 62 Abercromby St., Port of Spain, Trinidad, W.I. P-73718. OPIC.

3224 — IRAN — Prominent businessman seeks licensor or joint venture partner for the manufacture of **tea tumblers, sizes: ½ oz., 3 oz., 3½ oz. and large water glasses.** Desires to produce 10,000 cartons monthly. Available capital approximately $6 million. A. Mohammadpour, P.O. Box 163, Khiaban-E-Amiri, Abadan. WTDR. P-73705. OPIC.

3312, 3324 — INDIA — Executives of large firm manufacturing steel and alloy steel castings visiting New York, Chicago, Detroit, Houston and Oakland, Nov. 25 to Dec. 20 seeking technical know-how for the manufacture of **castings (especially investment casting, sheet molded casting and centrifugal casting) and sintered products.** M. F. Tamboli, c/o Rahul K. Dedhhiya, 5700 Arlington Ave., 17-J Riverdale, N.Y. 10471. WTDR. P-73717. OPIC.

3317 — THAILAND — A leading manufacturer of steel pipe seeks licenses or a joint venture for the manufacture of **API standard petroleum pipeline and AWWA standard water pipe.** It is estimated that approximately $165 million will be spent for pipeline installations in

Licensing and investment proposals from foreign firms are listed in these columns. Specific product interests in each proposal are highlighted in bold type to facilitate identification and each proposal is preceded by the appropriate four-digit product number taken from the Standard Industrial Classification (SIC) Manual.

Background information on opportunities abroad and assistance on overseas investments are available from the Foreign Investment Services Staff, U.S. Department of Commerce, Washington, D.C. 20230. "P" numbers should be used when responding to specific proposals.

WTDR indicates that a World Traders Data Report containing financial and background information on the foreign firm is available for $5 from the Department of Commerce, Export Information Division, Washington, D.C. 20230, or from any Commerce District Office.

OPIC indicates that the country involved is eligible for investment insurance coverage written by the Overseas Private Investment Corporation. Information regarding applicable coverage may be obtained from OPIC, Washington, D.C. 20527.

the present five-year plan and then another $600 million for the next 15-year plan of the Bangkok Metropolitan Water Works Authority. A representative of the firm will visit the United States from Feb. 3-22, and is willing to discuss proposed project with interested American businessmen. The firm presently manufactures petroleum pipeline and water pipe with annual sales approximately $750,000. They were established in 1964 and granted an industrial promotion privilege from the Thai Board of Investment, starting operations in 1968. The plant is modern and well equipped. Mr. Mighty N. Thepvithool, Director & Factory Manager, Sathask-Driam (Thailand) Co., Ltd., 93 Mansion 10, Rajdamnern Ave., Bangkok. P-73709. OPIC.

3351 — IRAN — License or joint venture to manufacture **household electric meat grinders.** Planned production is 30,000 units annually. Plans to establish plant in Abadan or Khorramshahr area. Iranian entrepreneur has variety of business interests, including the production of electric storage batteries. Can provide capital for project; is a respected and influential businessman. A. Mohammadpour, P.O. Box 163, Khiaban-E-Amiri, Abadan. WTDR. P-73703. OPIC.

3433 — JAPAN — Wants to represent U.S. producer of **dust free, infra red industrial oil heaters.** At a later date would manufacture under license. Presently make agricultural driers. Employs 380. Kazuhiko Matsuno, Manager, Development Sec., Shizuoka Seiki Kabushiki Kaisha, 4-1, Yamana-Cho, Fukuroi, Shizuoka Prefecture, 437, Japan. P-73714.

3494 — SWITZERLAND — Small manufacturer of pneumatic controls wants to diversify. Seeks licenses to produce **servo-valves, slave cylinders and axial piston oil motors** for application in the field of process controls. Firm, established in 1967, has engineering department which specializes in automation of production facilities. Reputation and financial standing are good. Dr. R. J. Jenny, Stadler & Jenny AG, 9565 Bussnang Weinfelden, Switzerland. P-73706.

3500 — GERMANY — Seeks licenses to produce **mining machinery, grinding machines and cleaning equipment.** Firm was established in 1899, has sound reputation. Ruhrtaler Maschinenfabrik, Schwarz & Dyckerhoff KG, 433 Muelheim, Scheffel-Strasse 14-28, Germany. P-73715.

3532 — INDIA — Medium-sized firm desires U.S. technical assistance for the manufacture of **tricone rock roller bits (TRRB).** The total cost of project is estimated at $400,000 and the plant will be located in Adityapur Industrial Area of Jamshedpur, Bihar. The promoters expect that demand for TRRB may rise to 100,000 units per annum. However, they state that the total India capacity to produce this product may not exceed 24,000 units today. The promoters now plan to manufacture 12,000 TRRB units per year. Presently makes metalcutting and mining tools of tungsten carbide-tipped and high speed steel. A. L. Chachra, Hind Tools & Dies Private Ltd., 10/11 Laxmi Mansion, Jamshedpur 1, Bihar. P-73708. OPIC.

3560 — GERMANY — Interested in **cross licensing agreement with U.S. firm experienced in heavy hydraulics.** German company is prepared to grant manufacturing rights for the production of piston compressors for air and gases, radial piston pumps for oil hydraulics, and piston pumps for water and chemicals. Has been producing high pressure pumps and compressors for more than forty years. Employs 150; in sound financial condition. WEPUCO, P.O. Box 196, 7418 Metzingen, Germany. WTDR. P-73707.

3714 — INDIA — Seeks technical know-how for the manufacture of **flywheel ring gears for motor vehicles.** Firm presently makes precision holding accessories for machine tools. Company director plans to visit the United States in late November or early December. Cable P. J. Sheth, Director, Ace Tools Private Ltd., B-5 Industrial Estate, Nasik 7, India. Interested firms can also telephone the Foreign Investment Services Staff, Bureau of International Commerce, U.S. Department of Commerce, Washington, D.C. 20230 at (202-967-3786) to contact Mr. Sheth during his U.S. visit. WTDR. P-73712. OPIC.

Licensing In U.S.

These are opportunities to manufacture foreign firms' products in the U.S. under a licensing agreement or, in some cases, as indicated, in partnership. For additional information on these opportunities write the Investment Services Staff, Room 4020, U.S. Department of Commerce, Bureau of International Commerce, Washington, D.C. (202-967-5361) referring to the appropriate file number.

AUSTRIA — Licensee: patented special **disc centrifuge** suitable for the sterilization of beverages such as milk, fruit and vegetable juices. File 2487

UNITED KINGDOM — Licensee: patented **trailer tent.** File 2488

UNITED KINGDOM — Licensee: **dictating equipment.** File 2489

FRANCE — Licensee or partner: distribute **pilot lights, push button controls, and earth leakage circuit breakers.** File 2490

GERMANY — Licensee: **air purification equipment** for household or industrial use. File 2491

GERMANY — Licensee: **injection molding machines** for the plastics industry. File 2492

GERMANY — Licensee: **piston compressors** for air and gases, **radial piston pumps** for oil/hydraulic, and for water and chemicals. File 2493

ITALY — Licensee: **Dry cleaning machines.** File 2494

SWITZERLAND — Licensee: new type **of bunk bed of wood or metal frame.** File 2495

SWITZERLAND — Partner: **paper and film coating and laminating equipment.** File 2496

Bimonthly Bulletin Details East-West Technology Transfer

East-West trade transactions involving technology transfer, including Western licensing in the East and terms of payment are described in a recent issue of the *American Bulletin of International Licensing and Joint Venture Opportunities.* Another article, entitled "How to Organize for Technology Transfer," will be published in a forthcoming issue of the bimonthly publication.

The *Bulletin* provides a vehicle for the international exchange of technology, capital and management resources. It screens, and attempts to validate, product, service and joint venture opportunities offered or wanted. For additional details write: The Publisher, American Bulletin of International Licensing and Joint Venture Opportunities, P.O. Box 75537, Los Angeles, CA 90075.

Brazil's Chemical Industry Is Top Market, Report Says

An 18-page report covering the Brazilian Chemical Industry has just been received from the U.S. Consulate in Sao Paulo. The report reviews the industry's recent strong growth and points out that Brazil provides an increasingly important market for U.S. raw materials and chemical processing equipment.

Trade sources state that Brazil's volume of production increased 9 percent in 1972, and an estimated 17.6 percent for the first nine months of 1973. The value of production for all chemicals including pharmaceuticals was estimated at $2.8 billion in 1972.

The Brazilian Government in 1972 approved new investments valued at $111 million which will involve the importation from abroad of machinery and equipment valued at about $38 million.

The report includes six tables with data on industry segment capacities, production estimates and expected additional capacity. Report No. 74-01058 is available from Harlan Westover, Chief, Foreign Market Reports, Room 1617M, U.S. Department of Commerce, Washington, D.C. 20230. P-73720. OPIC.

Ghana's New York Office Assists Potential U.S. Investors

The Ghana Trade and Investment Office welcomes inquiries from American investors wishing to establish in Ghana. Industries in which foreign investment is particularly desired include all types of food processing, manufacture of metal, non-metallic, electrical, chemical and mineral products, and tourism. Detailed information on the country's general economic condition, investment policies, opportunities and incentives is available through Mr. J. Konadu-Boaten, Commercial Attache, Ghana Trade and Investment Office, 150 East 58th St., New York, N.Y. 10022, (212-832-1300). OPIC.

Ecuador Invites Bids For Language Laboratory

Equipment and materials for a language laboratory including 60 self-study units, master tape recorder, and all other accessories are needed in Ecuador. Catalogs and descriptive literature requested. Prices quoted may be f.o.b. or c. & f. Guayaquil.

For further information contact Dr. Jose Lopez, Director del Instituto de Idiomas, Universidad Central del Eucador, Quito. Dr. Lopez is seeking the most modern equipment available. He plans to visit the United States as soon as he contacts the right firms. The University has the required financing. No bid deadline indicated.

Foreign Trade Opportunities

These trade opportunities are based on reports received from the U.S. Foreign Service by the Trade Opportunities Division, Room 1322, U.S. Department of Commerce, Washington, D.C. 20230. The commodities in which foreign firms have interest are indicated by the five-digit numbers and commodity classifications which are from the Standard Industrial Classification (SIC) Manual and the Numerical List of Manufactured Products, 1967 Census of Manufacturers.

U. S. firms should be aware that the listing in Commerce Today *of opportunities to trade in specific commodities and technical data does not necessarily imply approval of their export by the Department of Commerce pursuant to the Export Administration Act of 1969. Applicable export licensing regulations must be followed.*

Every effort is made to include only traders with good reputations. However, the Department cannot be responsible for any trade relations.

Abbreviations used are: I (importer); D (distributor); M (manufacturer); A (agent); R (retailer). To avoid delays, requests for loan material must specify country, commodity, foreign government agency.

WTDR indicates that a World Traders Data Report on this specific firm is available at $5 from the U.S. Department of Commerce, Room 1313, Washington, D.C. 20230. A WTDR is a trade profile which contains commercial information, including financial references, on an individual foreign firm. Orders must include complete name and address of the subject firm and be accompanied by payment. Further information concerning WTDR's and request forms is available at each Commerce District Office.

The mark (●) indicates that this trade opportunity is a request for bids by a foreign government agency.

Direct Sales

Foreign private firms and government agencies are interested in direct purchases of these products. See also "Representations" listing.

Building construction

●15110 — GREECE — Design, construction, equipping and operation of facilities at the Athens Cultural Center consisting of (a) a 5,000-seat auditorium, (b) a deluxe 1,000-bed hospital hotel, (c) recreation facilities, and (d) an underground garage for 1,500 cars. There is no tender number. Bid deadline is Dec. 29. The bid-letting authority is the Ministry of Public Works, Housing Service, Ampelokipi, Athens (attn: Mr. Trembaklis). Copies of the bid notice are available from the Construction & Bldg. Materials Program, Room 2118, U.S. Department of Commerce, Washington, D.C. 20230 (202-967-3602), and the U.S. Department of Commerce Field Office, 11444 Federal Bldg., 450 Golden Gate Ave., P.O. Box 36013, San Francisco, Calif. 94102 (415-556-5864). Reproductions of drawings and other data (available in Greek only) are obtainable from A/Priovolos, 7 Spiromiliou St., Athens, for about $30.

Sugar

2067015 — KOREA — Chewing gum base, 660 tons of chicle gum base and 250 tons of bubble gum base. Hai Tai Confectionery Co. is leading manufacturer of confectionery including candy, biscuit, caramel, ice cream and chewing gum. Annual requirement about $1.5 million. Mr. Byung-Kyu Park, Pres., Hai Tai Confectionery Co., Ltd. (I, M, exporter), 6-Ka, Yangpyung-Dong, Yongdongpo-Ku, Seoul, 150. Cable Haitai Yongdongpo, Seoul. WTDR 7/73.

Textile goods

2297298 — PORTUGAL — Nonwoven interlinings. Requests supplier responses, quotations urgently. Oswaldo Sousa Santos, Mgr., Focor-Fornecedores de Corantes, Rua 5 de Outubro, 288, Oporto. Cable Corantes; telex 2221 Focor-P; tel 65638.

Fabricated textile products

2396333 — SWITZERLAND — Ribbon, acetate cut-edge and decorative satin. Well established mfg. of and dealer in ribbons, principally for use by florists, confectioners, perfumers, etc. Direct sale & agency. Call or cable Mr. Rene Fuchs, Dir., Otto Fuchs AG, 5401 Baden. Cable: Otto Fuchs Baden, tel. 056/22 84 72.

Drugs

●28300—LIBYAN ARAB REPUBLIC— Supply of drugs and pharmaceuticals for 1974. Tender No. T-0019, with a bid deadline of Dec. 17. Tender documents are available free-of-charge from the National Social Insurance Institution, Head Office, 165 Imhamed Megherief Street, Tripoli. Bidders are required to submit a list of their foreign suppliers for each item required.

Rolling, drawing, extruding of nonferrous metals

●33500 — BURMA — Hard-drawn bare copper conductor, ACSR Conductor. Tender No. 16 (T) EL-EPC (TD) 72-73; bid deadline Dec. 28. Electric Power Corp., Central Stores Dept., Ahlone, Rangoon, Burma. Specifications available from Copper, Lead and Zinc Program, BCABP, U.S. Dept. of Commerce, Washington, D.C. 20230, ★(202-967-2438).

Fabricated structural metal products

3444632 — 3444636 — AUSTRALIA — Flexible aluminum parts for heating, air conditioning and central heating equipment. Also grills and diffusers for this equipment. Firm is interested in buying directly and in possible agency agreements. Operates as sheet metal workers. Has service capabilities. Reply to The Manager, Romet Industries Pty. Ltd., 40 Korong Road, West Heidelberg, Victoria 3084.

Fabricated metal products

3497359 — GERMANY — Foil for stratospheric claim, strength 0,3 mm, as used for balloons in the stratosphere. Commerical Section (File No. 59), American Consulate General, 7 Urbanstrasse, D-7000 Stuttgart 1.

Office, computing, accounting machines

●35700 — ARGENTINA — The bid deadline on a data processing system has been extended to Jan. 16. Tender No. 3232. Specifications available for $30 from SEGBA, Balcarce 184, Buenos Aires, Argentina. Specifications, in Spanish, available for review only, but not for loan, in Science and Electronics Division, BCABP-466, Room 1128, U.S. Department of Commerce, Washington, D.C., 20230.

●35700 — GREECE — Supply of electronic computer. Tender No. 1085/1973, bid deadline Dec. 18. Tender documents available from Ministry of Commerce, Fourth Directorate of State Supplies, 20 Canningos St., Athens, 141, Greece. When received, tenders will be available on a five-day loan basis from Science and Electronics Division, BCABP-466, Room 1128, U.S. Department of Commerce, Washington, D.C. 20230, ★(202-967-2939).

Service industry machines

●35800 — PHILIPPINES — The Philippine government has issued an invitation to bid on onboard refrigeration facilities for deep-sea fishing vessels of 70 to 130 tons. Interested companies should contact The Fisheries Group, Agricultural Projects Department, Development Bank of the Philippines, MCCPO Box 800 Makati, Rizal, Philippines. Tender documents and deadline not available.

Communication equipment

●36600 — ALGERIA — Supply and install an "APT system" to receive photos from weather satellites. Tender No. 35.22.0.00.42.77, bid deadline December 18. Correspondence in French required. Invited by Monsieur le Directeur Gener-

al de l'Emena, B.P. 809, Ave. de l'Independance, Algiers, Algeria. Tender document available from Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — BANGLADESH — Supply of meteorological sophisticated instruments including ground equipment, single sideband (SSB) transceivers, and tide gauge. Bid deadline Dec. 12. Tender documents available at 100 takas per set (one taka equals $.13) from Project Manager, Cyclone Warning Sub-Project Bangladesh Meteorological Department, Storm Warning Building, Sher-E-Bangla Nagar, Dacca 15, Bangladesh. When tenders are received at Commerce Department from Bangladesh they will also be available on a 5-day loan basis from Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — BELGIUM — NATO/SHAPE invites bids for the delivery of ten tape readers/editors as follows: five to SHAPE/Belgium, four to Afcent/Netherlands, and one to Afnorth/Norway. Equipment shall be of solid states design and modular construction where possible, and designed for bench top use. Tender documents available from Purchasing and Contracting Office Communications Implementation Branch, Communications and Electronics Division, SHAPE, 7010 Belgium. When tenders are received at Commerce Department from Belgium they will be available on a 5-day loan basis from Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Wash., D.C., 20230. ★(202-967-4822). Tender No. IFB 73/23 PS/CIB, bid deadline Dec. 14. Only U.S. firms certified by the U.S. Department of Commerce are eligible to bid on NATO projects. U.S. firms interested in certification should contact Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — BURMA — Supply of one lot of control telephone equipment (train dispatching telephone system for 50 wayside stations). Tender No. BRC/IDA/14 (T)3(E)72-73, bid deadline Jan. 15, 1974. Invited by the Managing Director, BURMA Railways Corporation, Bagyoke Aungsan St., Rangoon, Burma. The American Embassy in Rangoon will forward tender documents and specifications to interested firms on receipt of certified check for $2.15 per set, payable to American Embassy. When tenders are received at Commerce Department from Burma they will also be available on 5-day loan basis from Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — INDIA — Supply of sound level analysis equipment consisting of one precision impulse sound level meter, one octave filter set, one condenser microphone and preamplifier, two nose cones, one ½" and one 1", one piston phone for acoustic calibration, one accelerometer set, one frequency analyser, one band pass filter set and one power supply regulator. Tender No. S 286/41, bid deadline December 13, 1973. Tender documents available from the Superintendent, Purchase, Bharat Heavy Electricals Limited, Tiruchirapalli 14, Tamil Nadu, India. When tenders are received at the Commerce Department from India they will also be available on a five-day loan basis from the Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — INDIA — Supply of switch board plugs three way conforming ITD specification no. S/M2-100 A. Quantity required number 30,000. Tender No. 12-42/73/MMD, bid deadline Jan. 16, 1974. Tender documents available for rupees 20 per set (7.5 rupees equals U.S. $1.00) from Assistant Director General (Imports), Posts and Telegraphs Department, Room No. 514, Dak Tar Bhavan, Parliament St., New Delhi, India. When tenders are received at Commerce Department from India they will also be available on 5-day loan basis from Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — INDIA — The bid deadline on microwave communication equipment and towers has been extended to December 19. Tender No. IDA/UPSEB/18. Tender documents available for 100 rupees per set (7.5 rupees equals U.S. $1.00) from P. A. Krishnaswamy, Superintending Engineer, U.P. State Electricity Board, 10 Madan Mohan Malviya Marg, Lucknow, U.P., India. When tenders are received at the Commerce Dept. from India they will also be available on a 5-day loan basis from the Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, ★(202-967-4822).

●36600 — INDIA — The bid deadline on load frequency control equipment has been extended to December 18. Tender documents available from State Electricity Board, 10 Madan Mohan Malviya Marg, Lucknow, U.P., India, for 100 rupees per set (U.S. $1.00 equals 7.5 rupees) by sending bank draft to P. A. Krishnaswamy Superintending Engineer at above address. When tenders are received at the Commerce Dept. from India they will also be available on a 5-day loan basis from the Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-4822).

●36600 — TAIWAN — Supply of microwave system: two hop and one hop systems for VHF/UHF control and communications. Frequency: 5-7 GHZ power source 24 VDC or 48 VDC. Tender No. GF3-622945, bid deadline Dec. 24. Tender documents available from Central Trust of China, Procurement Dept., Taipei. When received tenders will also be available on a five-day loan basis from Science and Electronics Division, BCABP-466, Room 1112, U.S. Department of Commerce, Washington, D.C. 20230, ★(202-967-4822).

Railroad equipment

●37400 — INDIA — Supply of 104,422 roller bearing axle boxes, broad gauge, and related fittings, for 20-ton axle loads. Tender number 73/RS(I)/874/2 of 1973, bid deadline Dec. 20. Copy of tender documents available from India Supply Mission, 2536 Mass. Ave., N.W., Washington, D.C. 20008, for $2.66 per set.

●37400 — IRAN — Supply of two washing machines for railroad passenger cars. Machines to be equipped with revolving brushes and sprayheads for washing cars as train moves through machine at 2-5 Km per hour. Bid deadline December 12. Tender No. 2074/52. Iranian State Railways Tehran. Tender documents available from Iranian Economic Mission, 2233 Wisconsin Ave. N.W., Washington, D.C., 20007.

●37400 — IRAN — Supply of 4000 fish plates, 4 hole and 4000 square head bolts, nuts, and washers. Tender No. 1496/52 bid deadline January 13, 1974, Iranian State Railways, Tehran, Iran. Tender documents available from Iranian Economic Mission, 2233 Wisconsin Ave., N.W., Washington, D.C., 20007.

●37400 — TUNISIA — Supply of 200 unassembled tip cars. Bid to include alternative offers for 300, 400, and 500 cars. Tender No. MT4. Bid deadline Jan. 15. Copy of Tender documents available for $100 from Societe Nationale Des Chemins De Fer Tunisiens, Tunis, Tunisia.

Instruments for measurement, control and analysis

●38200 — INDIA — Supply of water analysis equipment consisting of one adiabatic calorimeter for accurate calorific measurement of solid or liquid fuels suitable for high precision method. Tender No. S 288/41, bid deadline December 14. Tender documents available from Superintendent, Purchase, Bharat Heavy Electricals Limited, Tiruchirapalli 14, Tamil Nadu, India. When tenders are received at the Commerce Department from India, they will also be available from the Science and Electronics Division, BCABP-466, Room 1128, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-2939).

●38200 — INDIA — Supply of fuel analysis equipment consisting of one crushing and grinding apparatus, carbon hydrogen analyzer, flash point tester electrically heated for determining flash and test points of petroleum products, oils and fuel oils, and more. Tender No. S 289-41, bid deadline December 14. Tender documents available from Superintendent, Purchase, Bharat Heavy Electricals Limited, Tiruchirapalli 14, Tamil Nadu, India. When tenders are received at the Commerce Department from India, they will also be available from the Science and Electronics Division, BCABP-466, Room 1128, U.S. Department of Commerce, Washington, D.C., 20230, ★(202-967-2939).

●38200 — INDIA — Supply of vibration analysis equipment including one vibration pickup preamplifier with accessories; one random incidence corrector; one conditioning amplifier; one motion analyzer frequency range 5 HZ to 10 KHZ; one set automatic vibration excitor control; and more. Tender No. S 287/41, bid deadline December 13. Tender documents available from Superintendent, Purchase, Bharat Heavy Electricals Limited, Tiruchirapalli 14, Tamil Nadu, India. When tenders are received at the Commerce Department from India, they will also be available on 5-day loan basis from the Science and Electronics Division, BCABP-466, Room

1128, U.S. Department of Commerce, Washington, D.C., 202030, ★(202-967-2939).

●38200 — PARAGUAY — Supply of 6,000 electric power meters, single-phase and 630 electric power meters three-phase. Estimated total value $50,000. Tender documents available for guaranies 1,260 (US$10) from Division de Adquisiciones, Departmento de Licitaciones, Administracion Nacional de Electricidad-Ande, Calle Padre Cardozo 355, Asuncion, Paraguay. Tender No. 90/73, bid deadline December 18.

Watches, clocks, parts

38734, 3873515, 3873525 — BRAZIL — Digital wrist watches for men and women. Plans to retail initially about 150 a month in its two key-area shops. Willing eventually start distributing to other retailers and establish representation of U.S. firm. Offers payment in cash against documents. Anxious receive first shipment by December 5 in time for Christmas shoppers. Will also study offers of digital table clocks, considering this line of U.S. products generally cheaper than other countries. Joalheria William Ltda. Av. Paulista 2027, 0311 Sao Paulo.

Manufacturing industries

3996011-3996013 — MALAGASY REP. — Linoleum. Requests catalogs and/or descriptive materials and price lists. Price quotations f.o.b., U.S. port and c.i.f. Port of Tamatave. Correspondence preferably in French.

Business services

SITC72505—POLAND—UNIKABEL requires technical assistance and equipment for a plant to manufacture annually 600,000 electric stoves, 500,000 water heaters, 200,000 electric kettles, and 300,000 interior heaters. Companies bidding should be willing to sell on credit, partly through Eximbank, and preference will be given to bidders willing to accept partial payment in the products of the plant to be erected. Poland is determined to be flexible in negotiations, and the possibility of mixed-capital joint ventures is not excluded. Interested companies can obtain further information and specifications direct from Jerzy Agonek, Director, Investment Dept., Assn. of the Cable and Electro-technical Equipment Industry, Senatorska 6, 00-082 Warsaw, or from D. Piggot, Trade Development Assistance Division, Bureau of East-West Trade, U.S. Department of Commerce, Washington, D.C. 20230, (202-967-3352).

Motion picture production, distribution

●78130 — SWEDEN — I.G.P. International Television Cassette AB, Mullbarsstigen 2, S-190 50 Kungsangen, Sweden, is interested in rental of sport and children's program, preferably color films. This recently established small, very active firm specializes in TV cassette programs. The owner, Mr. George Prevette, is an American who has been living in Sweden since 1970. According to the Embassy in Stockholm, the firm has met business obligations satisfactorily. Interested potential exporters should contact the firm directly.

Representations

Foreign private firms are interested in agency agreements and/or distributorships for these products.

Bituminous coal, lignite mining

12110 — KOREA — Bituminous coal. Wishes to act as agent for supplier of West Virginia coal suppliers, claims that it can negotiate annual purchasing contracts with local end-users. Interested U.S. firms contact Mr. Ju informing price, delivery terms, quality, etc. Mr. Young-Chan Ju, Pres., Sung Pung Enterprises Co., I.P.O. Box 2089, Seoul 100. Cable Golinju, Seoul; Tel. 26-4611.

Confectionery

2076113 — VENEZUELA — Double-boiled linseed oil. Mrs. Roma I. Roeher, Representaciones Elca S.R.L., Apartado 61389, Edificio Teatro Altamira, Entrada Oeste, Piso 10, Oficina 103, Plaza Sur Altamira, Caracas. Cable Elcarep; tel. 326517.

Yarn, thread mills, products

2282335 — NORWAY — High tenacity nylon (6) filament yarn suitable for fixing nets in following deniers: 210-420-630-840-1050-1260-1680. Preferably delivered on cops or cones. Customers are fish net manufacturers on west coast of Norway. Quantity upwards of 350 tons annually. Call or cable — Odd Kongsvik, Sales Mgr., Alf Axelsen A/S, Ajk. Hansensvei 15, 5000 Bergen. Tel 05-280312.

Engines, turbines

3511150, 3511275 — DENMARK — Gas turbine generator sets (auxiliaries); gas turbines (except aircraft) under 10,000 horsepower (auxiliaries). Exclusive agency. Mr. H. de Neergaard, Mgn. Dir., Aage Christensen A/S 63 Studiestraede, DK-1554 Copenhagen V. Tel. 01-152541.

Metalworking machinery

3545148 — SWITZERLAND — Tungsten carbide tipped milling cutters. Large reputable manufacturer/distributor of metal working tools. Seeks long-term arrangement with U.S. mfr. of milling cutters to complement present lines. Reply to Peter Nobs, Sales Mgr., United Wire Works, Ltd., Dept. Bidurit, Neumarktgasse 33, 2501 Biel. Cable Drahtwerke Biel; tel. 032/2 74 11.

Special industry machinery

3555569 — UNITED KINGDOM — All types of offset printing plates. J. Pickles, Frank Horsell Co. Ltd., Howley Park Estate, Morley, Leeds LS 27 0QT. Tel: Morley 7711.

Costume jewelry, novelties, buttons, notions

3961041 — SWEDEN — Watch bands, metal. Mr. Henry Hagfalk, Albert Hotzen AB, Rattviksvagen 111, S-191 71 Sollentuna.

Computer, data processing services

73720 — FRANCE — All types of software packages (management, scientific, industrial). Mr. Louis Roncin, Dir., Answare (computer software company), 135, Rue de la Pompe, 75116 Paris. Tel. 727 35-60.

73720 — NETHERLANDS — Software packages. Reply to Mr. B. Galjaard, Mgr., Comgraph Intl. B.V., 18 Plantage Parklaan, Amsterdam 1004. TWX 13645; tel. 020-240272. Exclusive distributorship requested for Netherlands and West Europe.

Brazil Firm Seeks To Represent And Use Services Of U.S. EDP Equipment Manufacturer

Proconsult, Ltda., a Sao Paulo EDP firm founded in 1967 is seeking to represent a U.S. principal in the data processing field. The firm has 150 employees, serves 80 clients and has annual sales of $2 million.

Proconsult wishes to expand its activities in sectors of data entry, data acquisition and terminals (display) equipment, as well as in software packages and systems.

In addition to the desire to represent a U.S. firm, Proconsult has an immediate problem on which it requires assistance: it maintains files containing credit information on four million people, but these are processed in totally manual operation. Proconsult wishes to acquire or rent a software system which would enable it to process this information on an on-line basis. It is prepared to send senior official to United States to deal directly with interested companies.

U.S. firms can write to Sergio Luiz De Oliveira Assis, Proconsult Ltda., Rua Major Sertorio 671, 2nd Andar, 01222 Sao Paulo, Brazil.

Future Construction Abroad

PORTUGAL — Sociedade Anonima Concessionaria da Rafinacao de Petroleos em Portugal S.A.R.L. (SACOR), head office at 7 Rua Das Flores, Lisbon 2, has requested authorization from the Government to install in its Oporto refinery a plant with an annual production capacity of 20,000 m.t. of carbon black. Firms interested in supplying equipment should contact the company at the above address.

ETHIOPIA — General Manager Abdul Jelil, Ethiopian Tourism and Hotels Investment Corp. (ETHIC), P.O. Box 1263, Addis Ababa, announced that ETHIC is in the final stages of negotiation with Hilton International and International Finance Corp. (IFC) for construction of four 'Historic Route' hotels. According to present planning, tenders for construction will probably be let during February. Hilton will be given the management contract and make a modest investment. Size of each hotel will be 65 rooms, with provision of additional 30 if required

later. Total cost of project now estimated at about $7 million. Civil works for each hotel should amount to about $750,000 except for Lalibela, which will be about $1 million. Remaining $3.5 million or thereabouts will go for furnishings and equipment. A separate tender for furnishings will be let at a later date. Assuming the groundbreaking gets under way in April, the hotels will probably be completed by the end of 1975.

GABON — The Government of Gabon plans to call, in December, for construction and equipment tenders for the **$200 million Trans-Gabon Raliroad.** Exim-Bank will finance up to $20 million of the project for U.S. goods and services. The time frame is not yet firm, but OCTRA (Gabonese Railroad Office), B.P. 2198, Libreville, expects tenders will remain open until April on all lots. *Lot 1:* Furnishing of ties, $6.6 million. *Lot 2:* Furnishing of track, $12.3 million. *Lot 3:* Engineering and construction $100.5 million (only preselected firms will be permitted to bid.—Prequalifications closed 10-31-73). *Lot 4:* Buildings, $4.1 million. *Lot 5:* Communications, $3 million. *Lot 6:* Locomotives, $4.2 million. *Lot 7:* Rolling stock, $6.1 million. *Lot 8:* Miscellaneous equipment including emergency crane, $744,000. *Lot 9:* Track maintenance equipment, $1.4 million. *Lot 10:* Workshop equipment, $1.7 million.

VENEZUELA — The Director of Planning of the Government-owned utility C.A. de Administracion y Fomento Electrico (CADAFE), Edificio Fundacion La Salle, Avenida Cota Mil & Apartado de Correos No. 5179, Caracas, has announced that by the year 2000 the country will have an eight-fold increase in electric power demand and will require a total investment of 20 billion bolivars for **power generation and distribution facilities.** By that time, the hydro-electric potential of the country, estimated at 14 million kw. will be fully utilized and the country will have to revert to a larger utilization of fossil fuel or even nuclear power generation. A large future market for equipment and engineering should open for international firms due to the absence of domestic equipment manufacturers for thermo-electric power plants. CADAFE's Director of Planning stated that it is in the Government's interest to build up knowledge of designing thermo-electric power plants among Venezuelan engineers, and that for all future bids foreign consultants and engineers will be required to work together with Venezuelan engineering companies to impart this knowledge. In view of this policy, American engineering firms would be well advised to establish contacts with Venezuelan engineering groups soon, and not wait until a bid is opened.

GUATEMALA — Minister Gustavo Anzueto of Communications and Public Works, Palacio Nacional, Zona 1, Guatemala City, announced the following projects: The Sipacate **port project** is the first of a multi-stage development plan for the West Coast. The second stage will involve construction of a **highway** from Sipacata to the Salvadorean border and the dredging of the Chiqumulilla Canal to Sipacata and its extension to Champerico. The third and last stage calls for construction of a **wide gauge railroad** line from Sipacate to Guatemala City.

JAMAICA — L. G. Subratie Engineering Ltd., a Jamaican construction and engineering company, has launched into the **real estate development and construction** field. Three housing projects, totaling 220 units, will be built within the next 18 months. 1) Site clearance has begun for 88 two-story town houses in the Ocho Rios area on which construction will begin shortly. The two- and three-bedroom models will have one and two bathrooms. Air conditioning will be optional. Developers & Contractors: L. G. Subratie Engineering Ltd., 35 Dunrobin Ave., Kingston 10, Tel: 924-5681. Architects: Clifton Yap & Assoc., 15 Caledonia Ave., Kingston 5, Tel: 936-6786. 2) Construction of a three-story, 64-apartment building at Cardiff Hall near Runaway Bay. Work is to begin in late 1973. All apartments will have two bedrooms. Developers & contractors: L. G. Subratie Engineering Ltd., address above. Architects: Marvin D. Goodman & Assoc., 5½ Waterloo Rd., Kingston 10, Tel: 926-6241. 3) Construction of 68 town houses in the Barbican Mews area of Kingston. The two- and three-bedroom town houses will be the first phase of a development which eventually will include an apartment building. Construction commenced Nov. 1. Architects: Shearer & Morrison Assoc., 175 Mountain View Ave., Kingston 6, Tel: 937-9578. The land development company is seeking U.S. suppliers for a wide range of bathroom and kitchen fixtures, including toilet bowls, bathtubs and washbasins.

GREECE — SECOBE S.A. (a major semi-governmental cooperative) which operates two smaller canning plants at Drama and Serres in northern Greece, is planning a $5 million **fruit and vegetable processing plant** to include complete drying, freezing, and canning facilities. The new plant will employ 600, and plans to begin operations by late 1974. Construction contract will be awarded locally. International tender will be announced shortly for mechanical engineering designs and complete equipment. Although tender has not yet been announced, interested suppliers should contact SECOBE prior to tender announcement because bid deadline will be a minimum of 45-day legal requirement. SECOBE S.A. 4 Ploutarchou St., Thessaloniki, Attn: Hajalambos Paraskevopoulos, General Manager.

PORTUGAL — The mining firm of Milnorte-Metalurgica do Norte, SARL, is initiating a project to produce **30,000 m.t. of foundry pig iron and 20,000 m.t. of high purity silicon metal** annually. Total investment is estimated at about $17 million. Seventy percent value of equipment will be supplied by foreign sources, including two 20 MVA electrical furnaces. U.S. firms may write to Duarte Nuno Cesar Machado, Managing Director, Milnorte-Metalurgica do Norte, SARL, Rua Azevedo Coutinho, 39-Oporto.

GERMANY — The Federal supervisory authority for mining operations (Oberbergamt) at Clausthal-Zellerfield stated that **strategic underground fuel storage facilities** are to be expanded along the German northwestern coast. A DM 1 billion program calls for the construction of such facilities through the washing out of salt deposits. The first phase of creating underground storage facilities is being carried out by the government-owned Industrieverwaltungsgesellschaft (IVG), headquartered at Bad Godesberg, in cooperation with several oil companies. The second phase of this program, to be started in 1975, will provide for the construction of about 40 additional caverns by a group of oil refineries. These caverns, which will have a storage capacity of about 10.5 million tons of petroleum products, are scheduled to be fully operational by 1981.

AUSTRALIA — The Queensland Railways Department has released preliminary information and registration requirements for prospective tenderers for construction of 1) **a rail bridge** across the Brisbane River and 2) **a rail tunnel** under Roma Street; to comprise a railway link between South Brisbane Station and Roma Street Station. Tenders will probably be called very soon. The smaller project—the construction of the tunnel—will probably go to a local company. Total cost of the link is estimated at $10.4 million. Copies of preliminary information may be obtained from: The Chief Engineer, Queensland Railways, P.O. Box 1429, Brisbane, Queensland 4001.

BOLIVIA — Col. Natush, Bolivian Minister of Agriculture, has indicated his strong interest in seeing a **citrus fruit processing plant,** capable of extraction, concentration and refining of juices and oils, installed in Bolivia. The Government of Bolivia is most likely to be receptive to a "turn-key" offer. Interested U.S. firms may write directly to Col. Natush care of Ministerio de Agricultura, Avenida Camacho 1471, La Paz.

ZAIRE — Formal Government approval of GECAMINES' new five-year expansion plan is expected soon. The plan calls for spending **$160 million to increase the company's mining and refining capacity and to improve industrial and social infrastructure.** GECAMINES now refines only half of its copper output to commercial standard but intends to increase to 75 percent by 1980, by refining all augmentive copper production plus an additional 90,000 tons of current capacity. To accomplish this major increase in refining capacity GECAMINES intends to request tenders soon, to be submitted between April and June, for turnkey projects to construct: concentrator plant with annual capacity of four million m.t.; oxygenation plant; sulfuric acid plant; flash smelting plant with annual capacity of 100,000 m.t.; cobalt plant with annual capacity of 4,000 m.t. On the production side, GECAMINES plans to open two new open pit mines at Dikolobwe and Mashamba southwest of Kolwezi. Relavant equipment to be purchased in the U.S. includes 2 large shovels, 15 dumpers, 5 bulldozers, and 5 graders. During the course of this expansion, GECAMINES labor force will expand by 2250, for whom housing must be constructed. GECAMINES also is behind schedule on housing construction for 2000 of its present workers. It hopes to obtain a $30-$40 million via World Bank loan for this purpose.

JAPAN — A Ministry of Transport railway construction plan for building **five additional new conventional high-speed rail lines totaling 1,650 kilometers** was approved by the Railway Construction Council. Accordingly, the Ministry of Transport will instruct the Japanese National Railways and Japan Railway

Construction Corp. to submit work execution plans for the lines. The project is estimated to cost $10.5 billion and is planned to be completed in 1979.

TURKEY — A list of construction equipment that the Yol, Su, Elektrik Isleri Genel Mudurlugu (YSE — Road, Water & Electricity Affairs Directorate General), Ministry of Village Affairs, T. C. Koy Isleri Bakanligi, Ulus, Ankara, plans to import during the next several years under its equipment replacement and balancing pool project is available from the U.S. Department of Commerce, Trade Opportunities Section, BIC-267, Rm 1322, Washington, D.C. The total value of the project is estimated at about $70 million. YSE expects to issue specifications and tenders during November and December for about $30 million worth of this equipment.

NIGERIA — The following information on **hospital construction** planned for the *Teaching Hospital and College of Medicine at the University of Lagos.* Federal Government may offer opportunities for U.S. firms. Total of $20 million has been set aside for work to be completed during the current development plan period (1970-75). University officials hope for a $30 million allocation to complete the expansion program during 1975-80 plan period. While there are no new construction opportunities for general contractors, there may be for sales of medical equipment. Teaching Hospital (total cost of first phase $9 million) following facilities are being built or expanded: radiotherapy center; adult accident and emergency department; X-ray clinic; outpatient department; ward block for 240 beds; six operating theaters; physiotherapy center; mortuary for 45 bodies; kitchen laboratories; residential areas for 154 junior and senior staff; external utilities; hospital stores; accommodations for 74 additional student nurses; and central supply department. For College of Medicine (total cost of first phase $11 million) following facilities are being built or expanded: staff residences; teaching facility; administration block; auditorium for 600 people; two lecture theatres each with 250 capacity; seminar room, honors laboratories; pediatrics/biology unit; animal house; modernization of existing buildings; hotel accommodations with 480 shared rooms, and supporting facilities; staff accommodations for 34; and external utilities. There will be opportunities for *general contractors as well as equipment suppliers for the second phase* of the program (1975-80, total expected cost $30 million). For Teaching Hospital, in addition to the completion of work stated in the 1970-75, projects will be as follows: Children's Accident and Emergency Dept.; expansion of nursing school; school of mid-wifery; school of dental surgery, laundry facility. For College of Medicine, in addition to completion of previous work, projects will be as follows: extension of research facilities, student hotels, and staff quarters. General contractors or equipment manufacturers who wish to receive invitations to tender for the above projects should write to: For Teaching Hospital—House Governor, Lagos University Teaching Hospital, Private Mail Bag 12003, Lagos; For College of Medicine—The Secretary, College of Medicine, University of Lagos, Private Mail Bag 12003, Lagos.

CANADA — The Hon. Robert Strachan, Minister of Transport in the British Columbia Government, has announced the awarding of a contract of $577,000 to the U.S. firm, Nickum and Spaulding Assoc., Inc., 71 Columbia St., Seattle, Wash. 98104, for the **design of three new ferries** to be used in the lower B.C.-mainland service. Two are car ferries—each 457 feet long, accommodating 376 cars and 1,500 passengers. The third, also 457 feet in length, is described as a truck or trailer ferry which will carry 64 commercial vehicles or 154 automobiles as well as 400 passengers. Construction of the ferries, estimated to cost $35 million, is expected to provide some 900 jobs in two British Columbia shipyards over a period of 18 months. This award may be of interest to U.S. suppliers of machinery, equipment and furnishings used in these type of vessels.

PORTUGAL — According to Portuguese Railroad Co. (CP) Administrator Eng. Francisco Almeida E Castro, a limited tender will be announced early in 1974 for design and construction of a **new railway bridge over the Douro River** near Oporto. The new bridge, which will parallel the existing one-track bridge (Maria Pia Bridge), will accommodate two tracks, and will be a steel span of about 400 meters with tunnel access links of 200 to 300 meters on each side of the river. The bridge is scheduled for operation in late 1976. Eng. Castro expects CP to issue a limited tender to mixed Portuguese and foreign groups who indicate interest in response to a questionnaire CP plans to circulate before the end of 1973. Since potential bidders must be Portuguese firms with or without foreign consultants, it is incumbent on interested U.S. firms to contact likely collaborators in Portugal. A list of selected Portuguese engineering consultants and contractors which interested U.S. firms can contact is available from the U.S. Department of Commerce, Trade Opportunities Section, BIC-267, Room 1322, Washington, D.C. 20230.

IRAQ—The Ministry of Oil and Minerals, Baghdad, announced a **new plan for oil refining** for export. The plan includes a large two-stage refining expansion program. The first stage would double the Basrah refinery within two years (from 3.5 to 7 million ton/year) by addition of a distillation unit. The second stage includes studies of proposals to build another large refinery with a capacity of ten million tons per year in southern Iraq, and building Iraqi-owned refineries or jointly-owned refineries with participation of other countries, either in Iraq or in third countries.

CAMEROON — The Agency for International Development (AID) is helping finance the construction of the **University Center for Health Sciences** (UCHS) at the University of Yaounde, with a $1.932 million grant for cost of construction, including fixed equipment, of the outpatient center and a 60-bed maternity and pediatric care wing of the hospital. The French-sponsored Caisse Centrale is financing $3.1 million and the Cameroonian Government $4 million of the $9 million project. Portable equipment for the center is being financed by the Caisse Centrale and will undoubtedly be tied to French suppliers. Among the fixed equipment included in the original plans for the Center are two elevators (1800 kg. capacity and 900 kg. capacity-220/380 volts, 50 cycles) for four levels of the buildings; an air-conditioning system for the three upper floors (220 volts, 50 cycles); and a medical gas piping network throughout the building. At least a portion of this equipment should be covered by the AID-financed grant, as well as construction materials for the outpatient center and maternity-pediatric care wing. The construction bids were opened October 18 and technical analysis to determine the awarding of the construction contract is being conducted by the Societe Centrale pour L'Equipment du Territoire (SCET), B.P. 911, Yaounde, during the next 90 days. Construction is expected to start soon after the award date.

FRANCE — After lengthy study, the construction of the Marseille subway began on Aug. 13. The project covers two lines of 11.5 km. and 9.5 km. First phase of the construction includes 9 km. of the line from La Rose to Castellane. Completion of this segment is scheduled for 1977. No firm date has been mentioned for the rest. Marseille, with one million inhabitants, is France's third largest city, a very large industrial center. As Lyon, where construction of a subway began this year, Marseille hopes that its mass transit system will help reduce traffic congestion which future growth is expected to bring to the metropolitan area. American businessmen interested in this project may obtain further details and information by contacting Monsieur le Directeur General, Somica Metro, 271 Promenade de la Corniche Kennedy, 13007 Marseille.

ARGENTINA — Messrs. Jose Lopez Rega, Minister of Social Welfare, and Juan Carlos Basile, Undersecretary of Housing, recently announced a plan for the construction of **half a million housing units** over a four year period, with a total investment of $1.3 billion .The total number of houses will be divided between private industry (136,000 units for medium and high income families) and the Government of Argentina (364,000 units for low income families). A list of local Argentine construction and manufacturing firms interested in receiving proposals from U.S. firms in the construction industry is available from the U.S. Department of Commerce, Trade Opportunities Sec., BIC-267, Rm. 1322, Washington, D.C. 20230. Interested U.S. firms may correspond directly with any of these companies.

PORTUGAL — The Lisbon Metropolitan Transit Authority signed a contract with a German-Portuguese consortium headed by Siemens, SARL, for the **expansion of the Metro's existing line** and for a feasibility study of a future extension of the Metro network. The contract provides for increasing present two-car stations to handle six cars. This work was divided into two phases, the first of which is the expansion of four two-car stations in order to accommodate trains of six cars. Completion will be in two years. The second phase consists of engineering and architectural design in the remaining 16 stations to handle six cars. This design phase will take two years, at which time tenders will be opened for construction and equipment. Metro officials state that U.S. bids will be solicited for design, construction supervision and equipment on the new line scheduled for construction in 1975 or 1976.

New Publications

When ordering any publication, indicate title and series designation, if indicated, and make checks or money orders payable to the Superintendent of Documents. Orders should be sent to the U.S. Department of Commerce, Washington, D.C. 20230, or to any of its district offices.

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Destination USA. Vol. II—domestic tourism. 128pp. $1.45. Presents information on the economic characteristics of domestic tourism; organization and management problems in the tourism industry; urban and rural tourism resources; the cost of tourism to the American consumer; transportation and the traveler; and tourism information facilities.

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DOMESTIC & INTERNATIONAL BUSINESS

BUREAU OF COMPETITIVE ASSESSMENT AND BUSINESS POLICY

Construction review. Vol. 19, No. 7. July 1973. Annual subscription $11.50 (add $3 for foreign mailing). Single copy $1.

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Overseas Business Reports

Annual subscription $28.50 (add $7.25 for foreign mailing). Single copies 30¢ each.

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Selling in Singapore (OBR 73-52). 12pp.

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BUREAU OF ECONOMIC ANALYSIS

Business conditions digest. Series ES1, No. 73-10. Oct. 1973. Annual subscription, including supplements, $33 (add $8.25 for foreign mailing). Single copy $3.25. This monthly report brings together many of the economic time series found most useful by business analysts and forecasters.

Survey of current business. Vol. 53, No. 10. October 1973. Annual subscription, including weekly statistical supplement $20 (add $5 for foreign mailing). Single copy $2.25.

Defense indicators. Series ES4, No. 73-10. Annual subscription $7.50 (add $2 for foreign mailing). Single copy 75¢. Brings together the principal time series on defense activity which influence short-term changes in the national economy. These include series on obligations, contracts, orders, shipments, inventories, expenditures, employment, and earnings. Most are monthly, but a few quarterly series are included.

BUREAU OF THE CENSUS

Agriculture

Cotton ginned prior to October 15 by States: 1973, 1972, 1971, and 1970, and average net weight per bale of cotton ginned prior to October 1 by specified States, crop of 1973 and 1972 (ALO: 73-5). 2pp. 10¢.

Report on cotton ginnings prior to October 1 for the crop of 1973, by counties (A20: 73-2). 4pp. 10¢.

Construction and housing

New one-family homes sold and for sale: August 1973 (C25-73-8). 12pp. Annual subscription $3. Single copy (monthly) 10¢. Single copy (annual) $2.

Housing authorized by building permits and public contracts: August 1973 (C40-73-8). 100pp. Annual subscription $17.50 (add $4.50 for foreign mailing). Single copy (monthly) $1.25. Single copy (annual) $4.50.

Distribution and services

Weekly retail sales in the United States for the weeks ending Oct. 27 (CB-73-316) and Nov. 3 (CB-73-326). 2pp. each. 15¢ apiece.

Foreign trade

Imports—commodity by country: August 1973 (FT 135-73-8). 232pp. Annual subscription $46 (add $11.50 for foreign mailing). Single copy $4.

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Highlights of exports and imports: September 1973 (FT 990-73-9). October 1973. 122pp. Annual subscription $11 (add $2.75 for foreign mailing). Single copy $1.

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State government finances in 1972 (GF 72, No. 3). 64pp. 90¢.

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Consumption of selected fibers on the woolen and worsted systems—seasonal adjustment supplement: 1968 to 1972 (Series: M22D supplement). 10pp. Annual subscription (incl. MA-22M) $2. Single copy 15¢.

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Lumber production and mill stocks: 1972 (Series: MA-24T(72)-1). 10pp. 25¢.

Electric lighting fixtures: 1972 (Series: MA-36L(72)-1). 6pp. 25¢.

1972 Census of Manufactures

General statistics for industry groups and industries (MC72(A)-1). 24pp. 35¢. Presents advance results from the 1972 Census of Manufactures, and is the first of a series of reports to be issued as part of that program. The data are sample estimates.

Population

Population Estimates and Projections

Estimates of the population of the United States to Sept. 1, 1973 (Series: P-25, No. 507). 2pp. 25¢.

Special Censuses

Special census of Pasco County, Florida: March 21, 1973 (Series: P-28, No. 1505). 4pp. 25¢.

1970 Census of Population

Characteristics of the population

Illinois. Vol. I, part 15, Sec. 2. 776pp. $15.50 for sections 1 and 2, sold as a set only.

Virginia. Vol. I, part 48. 1,436pp. $12.

Subject Report

Occupational characteristics (PC(2)-7A. 848pp. At GPO Bookstores, $6.50; by domestic mail, $7.25.

Low-income areas in large cities (PC(2)-9B). 912pp. At GPO Bookstores, $7; by domestic mail, $7.75.

SCIENCE AND TECHNOLOGY

NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION

National Marine Fisheries Service

Federal plan for marine environmental prediction: fiscal year 1974. 40pp. 70¢. Published to provide the Executive and Legislative branches with a summary of Marine Environmental Prediction (MAREP) services and of research and development programs to improve those services. It will be used within the Federal Government to coordinate and plan MAREP services and research, and is available outside the Government to identify means for utilizing the MAREP services and research activities.

NATIONAL BUREAU OF STANDARDS

Dimensions/NBS. Vol. 57, No. 10. October 1973. Annual subscription $6.50 (add $1.75 for foreign mailing). Single copy 65¢.

An index of State specifications and standards (Spec. Publ. 375). 394pp. $3.70. Contains the permuted titles of more than 6,000 purchasing specifications and standards issued by 37 State purchasing

offices through 1971. The title of each specification and standard can be found under all the significant key words which it contains.

Methods for testing wire-bond electrical connections (Tech. Note 786). 24pp. 50¢. A significant fraction of the failures that occur in integrated circuits are due to failures of wirebond electrical connections. This technical note reviews several methods for testing and evaluating wire bonds.

Review of network management problems and issues (Tech. Note 795). 78pp. $1. Computer networking is broadly considered, including hardware, software, procedures, and people.

Statistic language analysis (Tech. Note 797). 24pp. 50¢. Although many variants of programming languages exist, little information is available on how language features are actually used by programmers. Several data collection schemes are discussed here.

User procedures standardization for network access (Tech. Note 799). 44pp. 70¢. User access procedures to information systems have become of crucial importance. Surveys user access protocols of six representative systems.

NATIONAL TECHNICAL INFORMATION SERVICE

Order the following reports on Government-sponsored research from: National Technical Information Service 5285 Port Royal Road, Springfield, Virginia 22151. Make check or money order payable to National Technical Information Service. Price of each document is $3 unless otherwise indicated (Microfiche price is $1.45, unless otherwise indicated).

Evaluation of Discontinuities in Regional Population Projections (PB-222 543), University of Massachusetts, Amherst, Mass. 28pp. Concerned with the ecological determinants of outmigration and the influence of community organization on outmigration.

State Welfare ADP Application (PB-222 644), Florida Model State Project, Jacksonville. 396pp. $8. Provides accurate statistical records of clients, services, and costs, to establish a means for tracking clients, centralizing and simplifying the reporting procedures, and to set forth standards for eligibility and services.

Correctional Officer Training in Behavior Modification (PB-222 301). Rehabilitation Research Foundation, Montgomery, Ala. 111pp. $4.25. Concerned with restructuring the correctional institution environment to meet both the needs of inmate rehabilitation and custodial requirements.

The Cities' "Punkin" Patch (PB-222 342), City Manager, City of Tacoma, Washington. 19pp. $2.75. Advocates improving firefighting efficiency in preference to elaborate apparatus, improvements in trash collection in preference to expensive experiments in recycling, and similar advances in technology effectiveness.

On A Coordinated Building Design Aid with Application to Urban Housing, (PB-222 108), Massachusetts Institute of Technology, Cambridge, Mass. 592pp. $12.50/mf $0.95. Enunciates a philosophy which provides a workable principle for developing a quantifiable aid for use in the building development process.

Mapping of Population Density (ORNI-TM-4246), Oak Ridge National Laboratory, Tenn. (35pp. $4. Presents population density maps as useful in selecting sites for industries, public buildings, and power plants, as well as providing guidance for evacuation planning and direct information on population movements.

Classification of Criminal Behavior: Selected Papers from a Seminar Series (PB-222 292). Portland State Univ., Portland, Ore. 72pp. $3.50. Discusses the typologies of crime and criminals, classifications for treatment, requirements in the process of social change, and social control functions of psychological diagnosis.

Quality of Life in the Urban Environment, A Bibliography with Abstracts (COM-73-11347). National Technical Information Service, Springfield, Va. 53pp. $20/mf $20. Covers citizen attitudes and values toward urban factors as transportation and land development.

TARCOG Regional Housing Market Analysis (PB-222 889). Top of Alabama Regional Council of Governments, Huntsville, Ala. 192pp. $11.75. Presents data on low-to-moderate income housing in rural and small cities, particularly for low income families.

Justice is the Crime: Pretrial Delay in Felony Cases (PB-223 035). Case Western Reserve Law School, Cleveland 384pp. $8. Discusses excessive time lapse between arrest and disposition of a criminal charge, reports on interviews, and makes recommendations.

Telecommunications Research in the United States and Selected Foreign Countries: A Preliminary Survey. 2-vol. set (PB-222-080). $10. National Academy of Engineering, Washington, Committee on Telecommunications, Surveys trends and status of telecommunications research in the U.S. and compares it with similar research in other technically advanced countries with the goal of determining adequacy, balance and relevance to U.S. needs. **Vol. I—Summary** (PB-222 081). 66pp. $4.50/mf 95¢. **Vol. II—Individual Contributions** (PB-222 082). 219pp. $6.75/mf 95¢.

Transportability of Communication, Surveillance, and Electronic Equipment (AD-721 600), Army Test and Evaluation Command, Aberdeen Proving Ground. 40pp. mf/95¢. Reviews common engineering test procedures for the transportability of electronic and communication equipment.

Travel Behavior: Highway Research Record 446 (PB-223 029), National Academy of Sciences, Washington, D.C. 74pp. $2.20. A report of 6 papers prepared for the 1973 Annual Meeting of the Highway Research Board analyzing urban transportation demand and model-choice models.

A Standard Transportation Commodity Description and Code System (PB-223 084), Transportation Data Coordinating Comm., Washington, D.C. 530pp. $10. Presents, in tabular form, product codes and descriptions for use in transport, statistics and customs.

Power Conditioning For High Speed Tracked Vehicles (PB-222 227), Dept. of Transportation, Cambridge, Mass. 246pp. $6.75/mf 95¢. A survey of power conditioners applicable for driving the linear induction motor in the variable frequency power mode.

Use of Models in Urban Transportation Planning (JB-222 893), Dept. of Transportation, Cambridge, Mass. 82pp. $3.75. A description of the utility of computer analysis in urban transportation planning, and a discussion of computer technology as a means for developing-testing urban transportation theories and projects.

Vapor Generator Feed Pump for Rankine Cycle Automotive Propulsion System (PB-222 849), Chandler Evans, West Hartford, Conn. 213pp. $5.50. Presents design studies for a steam engine pump which meets current specifications.

Engineering and Development Program Plan — Air Traffic Control Technology (AD-764 681). Dept. of Transportation, Washington, D.C. 48pp. Delineates efforts in research and development of advanced air traffic control equipment and systems.

FAA All-Weather Landing Simulation Studies-Development of Pilot Orientation Film for Low Visibility Landings (AD-765 159). Univ. of California, Berkeley 66pp. $3.50. Summarizes the activity of a project that had as its objective the production of various films to be used as visual aids in pilot orientation.

Fundamentals and Abatement of Highway Traffic Noise (BP-222 703). Bolt, Boranek and Newman, Cambridge, Mass. 203pp. $5.50. Examines noise data of automobiles and trucks; the techniques for making outdoor noise measurements; noise control and abatement treatments . . . and evaluates noise reduction by acoustic barriers.

Airport Information Retrieval System (AIRS) User's Guide (AD-765 339). Dept. of Transportation, Cambridge, Mass. 107pp. $4.25. Examines a prototype air traffic flow control automation system developed for the FAA's System Command Center.

Engineering and Development Program Plan — Aircraft Safety (AD-765 009). Dept. of Transportation, Washington, D.C. 45pp. Describes the objectives, scope of work and funding requirements to meet the FAA's research needs in aircraft safety for the 1973-1982 period.

Helicopter Engines and Rotors (AD-764 900). Defense Documentation Center, Alexandria, Va. 453pp. $8.75. This bibliography cites 300 reports dealing with helicopter engines, rotor materials, rotor hover, rigid rotors, rotor blades, noise, flight control systems.

Forecast of Urban 40-Foot Coach Demand: 1972-90 (PB-222 684). Booz-Allen Applied Research, Bethesda, Md. 40pp. A study providing an estimate of the U.S. market demand for 40-foot transit coaches through 1990.

Noncontact Power Collection for High-Speed Ground Transportation Systems (PB-222 408). Dept. of Transportation, Cambridge, Mass. 46pp. An evaluation of four basic noncontacting techniques of power collection: the electric car, magnetic induction, electrostatic coupling, electromagnetic waveguide coupling.

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